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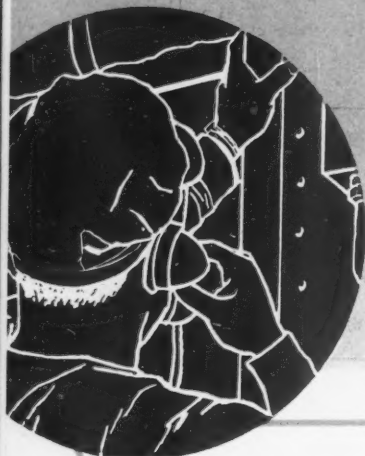
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# The Week at a Glance

**ABOVE THE LAW?:** The five operating brotherhoods have thrown down on the council table a "demand" that their employers grant them 44 changes in their working rules. To do this would cost the railroads an incalculable sum—but the brothers' leaders dismiss with a wave of a hand any question as to where the money would come from. Obviously they and their advisers are gifted with a maximum of ingenuity and a minimum of compunction to have conceived and brought forth this monstrous body of featherbed proposals. Even more preposterous than these propositions—they include such restrictions on efficient operation as 70-car train limits and such costly "make work" devices as separate engine crews for each unit of Diesel locomotives—is their timing. They come up for discussion almost at the very hour when an aroused Congress has registered, in the Taft-Hartley Law, its emphatic disapproval of flagrant featherbedding practices. Of course the brotherhoods are made up of a superior class of beings, not subject to that law, which applies only to ordinary working people, and their leaders are seeking all the profit they can get out of that exemption. But our editorial urging the railroads to resist these outrageous demands suggests that the other unions may not be indifferent to the cost to them of such tactics.

**ACCELERATING POWER:** Results in terms of greater low-speed tractive force obtained from steam locomotives equipped with poppet valves are reported for a long-compression valve-setting arrangement developed by Lima as an application of the Franklin System of Steam Distribution. Graphs and explanations indicating the effects of the modified exhaust-valve cam contours appear in the article on page 75.

**WATER FOR DIESELS:** What to do about assuring an adequate supply of water to meet passenger-train heating requirements when Diesel-electric locomotives are used is discussed in an illustrated article in this issue by E. M. Grime, retired Northern Pacific engineer of water service. He finds it advisable to arrange high-capacity water supply stations at 400-mile intervals, unless supplemental tanks are provided in a baggage car or elsewhere on the train. Equally as important as the spacing of replenishing facilities is the provision of satisfactory purification apparatus, as the Diesels' equipment is quite susceptible to corrosive action.

**HUMPTY DUMPTY AGAIN:** One of the gravest consequences of any scheme for the assumption of ownership of the railroads (or any other large industry) by the state is that it is a one-way street, a road of no return. Because the owners of properties taken over by the state are not satisfied, as a rule, with the compensation the government concedes them—as is the case right now in Great Britain—they are inclined thereafter to the traditional burnt child attitude toward an investment susceptible to the same rough treatment.

And a socialistic government engaged in all sorts of expensive activities is prone to confiscatory taxation of its more affluent subjects so long as they retain wealth in any tempting amount. As Harvey Middleton of the Railway Business Association observes—in developing the theme that solvent railroads are American industry's main bulwark against the advance of socialism (his lucid dissertation is summarized in an article herein)—such taxation soon results in the exhaustion of the reservoirs of private capital available for investment, making it extremely difficult ever to refinance any large industry in the event the socialist government should be succeeded eventually by one favorable to private enterprise. Believers in the capitalist system need to do more than subscribe to resolutions, if the preservation of that system is to be assured.

**THE RATE CASE:** Whatever mystery may cloak the ratiocinative processes through which the Interstate Commerce Commission arrives, at its provisions for the welfare of the railroads assigned to its fostering care, one conclusion is ineluctable: the commission is much more afraid of the consequences of letting the railroads earn one dollar a year more than a fair return than it is of letting them earn half a billion dollars a year too little. But there is a body superior to the commission—the public—and that agency is quickly amenable to its discipline. If the railroads are to get the commission to approve a rate increase of the proportions they need—and are now seeking—they will need the support of an informed public. And—as our leading editorial points out—nobody *except the railroads* is going to inform the public about the railroads' need for the improved earnings that will produce the better credit position that will attract the private capital that is essential to that improvement and enlargement of their service which the public expects from them.

**"UNIFORMITY" AT LAST:** As a result of the commission's action to make its No. 28300 order effective, reported in the news columns, class rates will be substantially "uniform" in all parts of the country east of the Rockies, come August 23 or thereabouts.

**SIMPLE PSYCHOLOGY:** What the Southern Pacific is accomplishing with its program to keep its supervisors and its employees who meet the public continuously alert to the importance of friendly "human relations" is outlined in the illustrated article on page 68. An important phase of that program is the group discussion in which professional leaders incite and guide the participation of officers and representatives of the rank-and-file. Evidence is presented of the program's success, for which a good share of the credit is given to the aroused self-interest of the participants. Results show up not only in smoother relations between employees and customers, but equally profitably in reduced friction between employees and supervisors.

**\$205 MILLION A MONTH:** One month's buying by the railroads amounted to more than \$205 million, according to the summary of April expenditures appearing in this issue. Nobody in business needs a lawyer's brief or a government bureau's press release to figure how important expenditures of this magnitude are in sustaining high-gear operation of American industry. It is essential, too, that businessmen especially, and the public in general, have an equally thorough understanding that adequate revenues are the one and only means by which the railroads can meet the cost of such purchases of fuel, supplies and new equipment. If the railroads can make that point clear, it can be expected that pressure of the right sort to produce those earnings will be felt in Washington.

**PULLMAN CONTRACT:** The basic terms of the new uniform contract between the railroad-owned Pullman operating company and the railroads to which it will furnish cars are outlined in an article summarizing the conditions surrounding the transfer of the Pullman property to its new management. Pullman President Carroll Harding looks for renewed progress in Pullman efficiency and service with the termination of the uncertainty as to the outcome of the litigation started by the Department of Justice back in 1940.

**PRAGMATIC PROPOSITION:** It's all well and good for the railroads to urge shippers and receivers of freight to spend their money to get cars loaded and unloaded promptly, even on Saturdays, and to release them immediately when they may be tempted to use them for warehouses, says Emerson Webber, author of a provocative discussion of the freight car shortage which appears on page 72. But the railroads' customers, he says, measure in dollars and cents the advantage or disadvantage to themselves of such expeditious handling, and on that basis frequently decide to let somebody else do the cooperating. If a shipper has not been convinced that whatever encourages commerce and high productivity is good for him individually (and there's no argument than an ample supply of freight cars is an essential factor in sustaining productivity), he is still interested in cutting his costs. Therefore, says the author, make it more expensive for him to hold on to the cars than to get rid of them. Really punitive demurrage charges might do a lot to accomplish this, he indicates, and so might higher carload minimums or a financial incentive to maximum loading—all to be effective only when cars are in critically short supply.

**IN THE BACK OF THE BOOK:** Net for May was about \$46.6 million—*contra* last year's deficit. . . . The commission has agreed to let the Cotton Belt escape the wringer. . . . Freight car production in June was up—5,527 units. . . . The Post Office doesn't get its way about delaying hearings on the railroads' mail pay rate increase.

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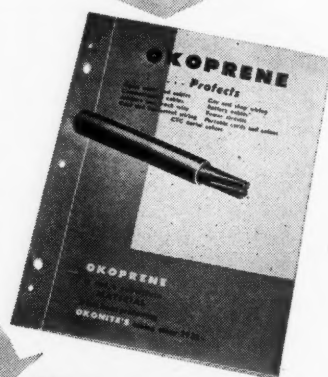
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# RAILWAY AGE

## Take the Rate Case to the Public

The railways are facing one of the greatest crises in their history. First, as a whole they are earning less than two-thirds, and the eastern lines less than one-half, as much net operating income as they should be deriving from the record peacetime traffic that they are now handling. This is because the advances in rates the railways have been allowed to make since June 30, 1946, have fallen far short of covering the increases in wages, prices and taxes to which they have been subjected since 1940. Second, the railways are being confronted with demands for further large advances in wages and highly expensive changes in working rules, and the demands from the railway labor unions almost certainly will be increased by the unprecedented concessions in process of being made by the coal mine operators to John L. Lewis and his United Mine Workers. Third, as large buyers of coal, steel, and equipment and materials made of steel, the railways will have loaded on them a big part of the burden of increases in prices that will be caused by the concessions being made to the coal miners.

Having learned from actual experience how much net operating income they can derive, with present unit costs, from present rates applied to a record peacetime traffic, the railways have petitioned the Interstate Commerce Commission for another advance in freight rates—25 per cent in eastern territory and 15 per cent in the south and west.

### What the Commission Fears

Their experience over many years, and especially in 1946, should warn them not to rely on methods used in the past for securing and maintaining a reasonable relationship between revenues and expenses and taxes. Spokesmen of the railways complain that they have earned much less than the return assured them by the Transportation Act of 1920 under which they were returned to private operation after World War I. They should know from their experience since that act was passed that they never will earn a fair return if they continue to try their rate cases only before the Interstate Commerce Commission. Directly and indirectly, the public has to pay the rates. It includes many large shippers and many more small shippers, particularly the farmers. The Commission fears public sentiment. It has proved ever since it has had the power of rate-

making that it is more afraid of letting the railways earn a dollar a year too much than a half billion dollars a year too little.

The recourse of the railways is obvious. They should take their rate case to the public as well as to the Commission. The public will not know that the railways are earning too little, or how much too little, much less *why* they are earning too little, unless the railways tell it. The public will not know the demands for more "featherbed" rules and further advances in wages being made by the labor unions unless the railways tell it. The public will not know how the results of current negotiations with John Lewis affect the railways unless the railways tell it. The public does not know why there is a freight car shortage, or why railway service has deteriorated in many other respects. It has no idea of the huge amount of capital the railways need to raise to expand and improve their service or what must be done to enable them to raise it.

### How to Go About It

The railways should tell the public these things. The public should be told what the railways are going to tell the Commission, and should be told it simultaneously or even before it is told to the Commission. By what means?

The best means of conveying the information and arguments to the public is such advertising in newspapers, large and small, as the eastern, western and southeastern groups of railways recently have been running. To do the job well would cost several millions of dollars. But what are several millions of dollars compared with the hundreds of millions *annually* that are at stake?

It may be said that for the railways to take their rate case to the public in this way would be offensive to the Commission. It should not be, because, the Commission being responsible to the public, it should want the public informed in order that there may be a public sentiment favorable to action affording the railways opportunity adequately to serve the public.

One thing is certain, however—the methods the railways heretofore have used to get fair and sufficient earnings have been a dead failure. And there is no reason for believing that these old methods would get any better results in the future.

## "Featherbedding" Versus the National Welfare

The officers of the "Big Five" unions of railroad trainmen and enginemen are showing superb self-confidence, not to say effrontery, in their insistence that railroad managements, railroad patrons, and the other railroad unions accept these organizations as a special sect of the national economic life—enjoying privileges and immunities denied to everybody else. Specifically, the Big Five unions are demanding that the railroads yield to them a long list of 44 "featherbed" working rules in addition to the many they already enjoy—in the face of the fact that Congress has just enacted the Taft-Hartley Act which specifically outlaws featherbed practices by labor unions. Furthermore, the Supreme Court has placed its approval on congressional prohibition of featherbedding by its recent action upholding the so-called Petrillo Act which specifically forbids featherbedding—that is, pay for work not done, or for unneeded employees—in the broadcasting business.

The opinion of the lawmakers and the courts on featherbedding does not, however, deter the Big Five railroad unions—because the Petrillo Act is limited to radio broadcasting and the Taft-Hartley Act does not apply to unions amenable to the Railway Labor Act. The language of the Taft-Hartley Act is plain. It forbids unions, as an unfair labor practice, "to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed."

The Big Five railroad labor organizations have already exacted many millions of dollars from the railroads in "back pay" to yard enginemen and trainmen for work which they did not do, but which was done by road trainmen and enginemen. They are already exacting huge amounts each month for the payment of more men in the crews of trains and engines than are needed to perform the duties. But such exactions are only small change compared to the new demands these unions are now making. For example, one of the new rules demanded by the Big Five unions would forbid the members of a train crew from so much as throwing a switch in a yard—and would require the employment of extra yardmen for this duty, even if it had to be done only once or twice a day.

Another rule the Big Five are insisting upon is one which would require the railroads to pay wages to an engine crew for each unit of a Diesel locomotive. Some of these locomotives are made up of three or four units—and the Big Five want the railroads to pay one crew for operating the locomotive and two or three additional crews for doing nothing whatever. What is this but causing "an employer to pay for services not performed or not to be performed," as denounced and prohibited by the Taft-Hartley Act? And, with such practice forbidden to all other unions in the country, what possible economic or moral justification can there be for continuing to permit the unions of train and engine employees to attempt such extortion?

More expensive than any of the Big Five's other

demands—and, indeed, downright ruinous to economical railroad transportation—is their insistence that freight trains be limited to 70 cars and passenger trains to 14 cars. Like every other industry, the railroads have been able to pay higher and higher wages and still improve their service and keep its price low only by the expenditure of capital to secure a larger product per employee. On the railroads this expenditure of capital to increase the economy of production has aimed predominantly at increasing the pay-load per train. Grades have been reduced, sidings and yards have been lengthened, cars have been strengthened, and more powerful locomotives have been purchased—all to the end that a given number of employees might produce more transportation service, enabling the railroads to pay these employees higher wages, while reducing costs to patrons and meeting the necessary "wage" of invested capital.

All this tremendous investment, and all this progress in efficient transportation, the Big Five unions now propose to wipe out with the stroke of a pen. A railroad which is safely and efficiently operating trains of 125 or more cars—and is passing along the economy of such mass production to its employees in high wages and to its patrons in low rates—is to be condemned to restrict itself to the puny scale of operations which obtained 30 years ago. If this demand of the Big Five unions can be countenanced, then it will be in order for the auto workers' union to require motor car manufacturers to build no automobile to seat more than two passengers. If the Big Five railroad unions can turn back the clock of economic progress as they are seeking to do, then there is no reason in ethics or economics why all other labor organizations should be denied the same privilege.

"In . . . bargaining, management, of course, represents the interests of consumers. This fact is frequently overlooked, but it is of great importance. The lower the costs of production, the lower competition forces prices or the higher it forces quality. Hence, in bargaining for lower costs managements are representing the consumers."

The foregoing statement does not come from a spokesman for employers, but from one of the nation's best known and most respected authorities on industrial relations—Professor Sumner N. Slichter of Harvard University—in a work just published\* in which he sets forth how organized labor may redeem itself in the public estimation by alining its policies more evidently to serve the public interest than it has yet done. He goes on to say:

"The employer may be able to pass on to consumers the cost of make-work rules, but this does not alter the fact that such rules lower the standard of living of the community by limiting the amount which the labor force is permitted to produce."

He suggests that the federal government be empowered to intervene, upon complaint of consumers or other unions, in cases of alleged application of wasteful make-work rules, and to compel their abolition, even if managements have acceded to them. Professor Slichter's concern for other unions is an important point, often overlooked. These additional "featherbed" rules sought by the Big Five unions would not benefit

\* "The Challenge of Industrial Relations." Published by Cornell University Press, Ithaca, N. Y. Price \$2.50.



railroad employees not members of these unions—but would grievously injure them by increasing the cost of railroad service, consequently reducing both the volume of traffic and of employment.

Railroad managements have a solemn duty as trustees of the public welfare to resist these outrageous demands to the utmost, and to inform and arouse railroad patrons, railroad employees and the public generally to the serious disadvantage to everyone if featherbedding in railroad train and engine service is permitted to go even farther than the unconscionable lengths which it has already attained.

## Inter-Industry Relations

Ever since wood proved inadequate as a fuel for steam locomotives, bituminous coal has provided the energy for a large percentage of American railway traffic movement. Today, with Diesel-electric locomotives in both switching and road service added to electric locomotives and the oil-burning steam locomotives of the West and Southwest, coal is still the direct fuel for about 59 per cent of the train-miles and 60 per cent of the switching locomotive-hours of the Class I railroads in the United States. The coal consumed by the railroads represents an extremely substantial part of the total consumption—30 per cent in the early 1920's and 23 per cent today.

This is but one of two important relationships in which coal mining and the railroads are closely dependent upon each other. The other is the railway traffic furnished by the coal-mining industry.

During the past four years this close relationship of the two industries has been implemented in a highly practicable manner by the development of Bituminous Coal Research, Inc., in the direction of which the railroads, as well as the coal-mining industry, are now represented. The recent annual meeting of this organization showed the growth of B.C.R., since it became "a truly national research agency for bituminous coal" in 1943, has been from 150 million tons to 184¾ million tons. In addition to 256 coal companies and associations, its membership now includes 14 railroads, five of which were added in the past year. It also now includes a number of combustion equipment companies.

While the research program of B.C.R. includes the study of mining problems, it has been carrying on a variety of projects dealing with consumer problems and for the development of combustion equipment to meet the needs of a variety of uses. By no means the least of these projects have been devoted to the railroads. Witness the revival and perfection of over-fire air jets, the distribution of under-grate air, and cinder collection, in addition to the special project under the direction of John I. Yellott for the development of the pulverized-coal-burning gas-turbine locomotive.

Bituminous Coal Research presents a practical basis for dealing cooperatively with the common interests of the coal-mining industry and the railroads. If its programs continue for a few more years on the same ambitious basis as those already completed and now under way, little coal need be burned for any purpose except under sound engineering conditions.

## The Hazard of Loose Track Material

Children or irresponsible adults have in recent months caused a number of train accidents or near-accidents by placing various objects on the rails. In most cases these obstructions have been items of track or roadway material. These occurrences point to the failure of the track forces in some instances to give sufficient attention to one of their important responsibilities—that of keeping the right-of-way free of loose material. A recent event of this character might have been disastrous in more ways than one, except for good fortune.

This incident, if it were not for the lesson it teaches, might better go unmentioned. However, it was important enough to be cited on the floor at the recent meeting of the Protective section of the Association of American Railroads in Chicago, and to prompt a resolution addressed to the American Railway Engineering Association seeking its cooperation to keep the rights-of-way clean and free from loose material. In this incident, the "Train of Tomorrow," on its first official run, from Chicago to French Lick, Ind., and return, was menaced by a pile of tie plates that had been placed on the rails by two boys too young to know the possible consequences. Fortunately, the plates were discovered by the track forces just ahead of the train.

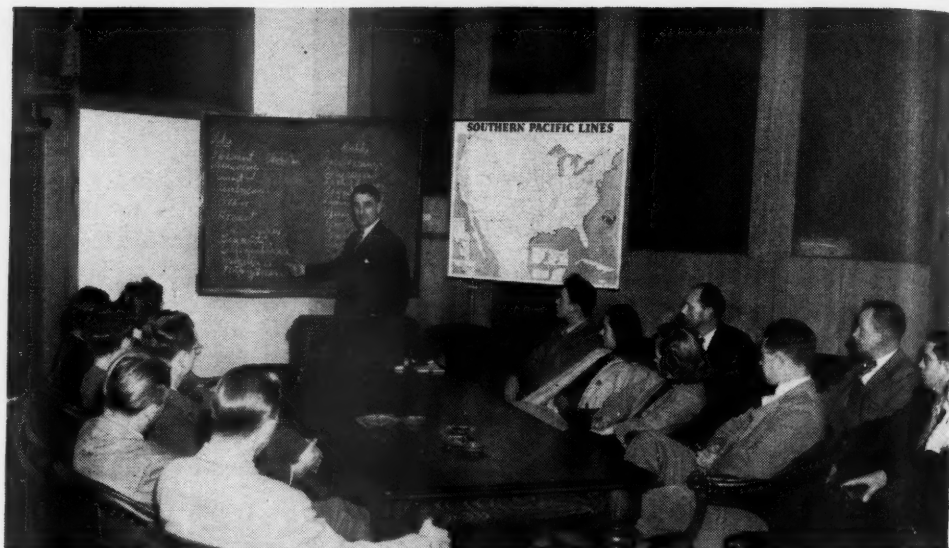
Such an occurrence should make clear to the track forces the seriousness of their responsibility to keep the right-of-way free of loose material. It is not enough to say that the objects involved in this incident were pieces of railroad property, on railroad property, and never should have been touched by anyone. The unfortunate fact is that in spite of all reasoning and excuses, irresponsible children or grown-ups do trespass. Furthermore, in play, or through thoughtlessness or some mental quirk, they pick up loose material and, at times, place it on the rails.

Most roadway maintenance officers realize the ever-present hazard in allowing loose track material, new or scrap, to lie along the track. With this in mind, many of them, when getting ready to relay a stretch of rail, delay the distribution of the lighter track fastenings or accessories until the last moment. Some also pick up the released material with the close of work each night. Furthermore, most of them have long been scrap-conscious, and have instructed their section gangs to pick up released materials or scrap daily as part of their routine.

It would appear, however, that these practices too often are not followed scrupulously on some roads or in some territories. So long as this situation prevails, train operation will be confronted with an unnecessary hazard.

The resolution concerning this matter adopted by the Protective section was to the effect that the A.R.E.A. be advised that the section looks with alarm at the growing number of instances where objects are placed on the rails, frequently with disastrous results; also, that the Protective section enlists the continued cooperation of the association, with expanded efforts, to keep the rights-of-way clean and free from loose track material.

Typical group of Southern Pacific public contact employees. They are discussing the personal qualities they like and dislike, respectively, in other people



## Man-to-Man Conferences on the Espee

Discussion group for supervisors and public contact employees integral part of "human relations" program; professional leaders give direction to popular sessions which appeal to self-interest

AND because people are always more important than machines, we are conducting courses in human relations among our personnel to promote the spirit of teamwork, courtesy and service to the public." This concise characterization of the Southern Pacific's "Training Program on Human Relations" by President A. T. Mercier, just about tells the story so far as the aims and basic principles of the program are concerned.

Railway Age readers have already had a report (issue of June 23, 1945, page 1096) on the "top-drawer" committee on public and employee relations representing the directing heads of the operating, freight traffic, passenger traffic and accounting departments which the S. P. president established in November, 1944, to make public relations an everyday, important part of running the railroad—rather than just a superimposed "salad dressing" administered by a relatively powerless "press agent." It will be recalled that this committee produced a program built along four main lines of activities: (1) Continuous education of supervisory personnel; (2) specialized training of employees having contact with the public; (3) a unified publicity and advertising effort to present the railroad to the public as a "friendly, progressive institution of service"; and (4) activities within the

railroad family to strengthen *esprit de corps*.

How well categories (3) and (4) have been pursued are amply demonstrated by the plaudits by experts of the S.P.'s advertising campaign, its press relations and its employees' magazine, to mention only a few accomplishments. Frequent favorable comment in the daily press, regional magazines and in specialized periodicals treating of business methods—the latter having a clear idea how this railroad's effort compares with the programs of industry generally—give proof that categories (1) and (2) (which together make up the Training Program on Human Relations), as well, have been administered with excellent results. It is with the development, basic principles, administration and effect of this training program that this article deals.

It is the opinion of well-informed public and employee relations students that one of the principal reasons for the success of the S.P. program is the care with which the detailed administration of the conferences has been worked out on the basis of the experience of the road with government-sponsored training for "green" or "rusty" supervisors during the war. This program, which was used in S.P. shops to build up an effective supervisory staff as rapidly as possible, has been credited

by the mechanical department as a major factor in enabling the road to keep pace with its peculiarly drastic increase in traffic by accelerating the repair and servicing of rolling stock. Since it was born in a period of scarcity of men and time and of impelling necessity to get good results immediately and without needless experimentation, the training program has, from the start, been eminently practical and free from academic theories regarding human behavior.

When the government program came to an end, President Mercier, convinced of the wisdom of carrying on the basic pattern of the supervisory training program at the railroad's own expense, with goals modified to peacetime, long-term needs, and expanded to include other classes of employees and supervisors, charged his committee on public and employee relations with the duty of supervising a program of human relations conferences. Membership of this committee consists of L. B. McDonald, vice-president in charge of operations; W. W. Hale, vice-president system freight traffic; C. E. Peterson, vice-president system passenger traffic; P. J. Kendall, general auditor; and C. J. McDonald, assistant to the president; with direction vested in K. C. Ingram, assistant to the president, who is also a member. In immediate charge of the





Reminder cards aid Southern Pacific employees to utilize their learning. The two cards on the left summarize points discussed at the first meeting of the series for supervisors, while the cards on the right summarize the initial session in the series for public contact employees (Copyrighted cards are reproduced by permission of Ferguson & Heinke, the management consultants for the road)

simple fundamentals of how to win cooperation from their workers through proper use of human relations, in contrast to the "big stick" methods of some years back. They find that application of these basic principles not only makes their jobs easier and raises the production level of their departments but that these principles work equally well in building domestic happiness and widening their circles of friends.

At the beginning of the program it was believed that men of the same relative grade ought to comprise each group, to eliminate the fear of antagonizing "higher-ups" by talking freely, an inhibition which would defeat the purpose of the courses utterly. Experience has proved, however, that the occasional mixture of supervisors and officers of all ranks not only does not prejudice free participation but sometimes actually increases it. More important, the association of ideas drawn from varying experiences and contrasting points of view has produced useful solutions to problems of supervision that might not come out of meetings of men restricted exclusively to those of the same rank.

As a result, while most supervisory courses now continue to be for men of the same rank, a number include as wide a range of ranks as is practicable. A typical group may include a department chief, the head of a shop, rank-and-file foremen and union committeemen. As a consequence, the group meetings have resulted in many permanent friendships between supervisors and officers—a valuable working foundation for good administration. In fact, the S.P. believes that the group meetings for supervisors would be worth their

program is S. T. Moore, training supervisor, who is a member of Mr. Ingram's staff.

Some 1,200 S.P. people gained the benefits of the conference program in 1945, and in 1946 about 3,600 participated. The goal for 1947 is to reach about 3,500 additional men and women, and, eventually, all supervisors and employees whose duties regularly bring them into contact with the traveling and shipping public. In addition, it is planned to bring brief "refresher" courses each year to previous graduates.

Being of the opinion that the chief "motive power" of the conference method is the group leader and that the success of the wartime "straw-boss" training program was due in large measure to the use of professional leaders for the group meetings, the committee arranged with Hobson E. Ferguson and Orrin Heinke—who had been connected with the University of California in the war-plant training field—to organize their own staff and carry forward courses in human relations specifically designed for two classes of participants—supervisors and public contact employees.

There are currently five conference leaders on the staff of Ferguson, Heinke & Associates who, together, carry out an intensive program of meetings, averaging about 50 a week and scattered at points all along the network of the S.P. Pacific lines.

The course for supervisors is designed

to embrace supervisory employees and officers of all levels, ranging from vice-presidents to foremen of track gangs. President Mercier has himself sat as a participating member of several groups. The course consists of eight two-hour conference meetings, ordinarily scheduled over a period of eight weeks. In it supervisors develop from their own thinking and experience the

Contents of a letter received by President Mercier of the Southern Pacific from a blacksmith's apprentice regarding the human relations course

Dear Sirs:  
I wish to take this opportunity  
to thank you and Personal of the  
Southern Pacific Co. for the Human  
Relation Course.  
It helps to draw me closer  
to my family, helps me on the  
Social Side of life and helps me  
to understand the Helper and the  
Forman.  
Life is like a new clay  
Every time the sun comes up  
New situations, IN other words  
Same locomotive but a new load  
of freight New Problems to face  
Again I wish to thank you for  
the opportunity for the Course and  
a teacher of ability of Mr. Heinke  
as ever  
RECORDED

cost if they accomplished nothing else but bringing together men who have communicated with each other in official business but have never talked together informally face-to-face.

Because of the flexibility of the conference method of training, there is no limit to the type of "end-product" to which it may lead. A recent series of meetings in a large shop on the system resulted in the writing of fact-finding reports on absenteeism, then the chief obstacle to high productivity. The report was two-fold: (1) a summary—without names—of the important points discussed at the meetings relating to absenteeism, and (2) the conference leader's analysis of attitudes and ideas expressed.

This series started out as a standard supervisors' course, but, by the time the fourth session was reached, it was clear that "stay-at-homes" were the principal problem of supervision at the shop. The group, therefore, devoted the remainder of its allotted time—and many voluntary "bull sessions" in addition—to threshing out the problem of absenteeism. As a result, management got a composite diagnosis of the disease and practical remedies therefor. On their part, the participants learned the point of view of men all along the line and enjoyed the wholesome experience of having their pet ideas go through the crucible of discussion.

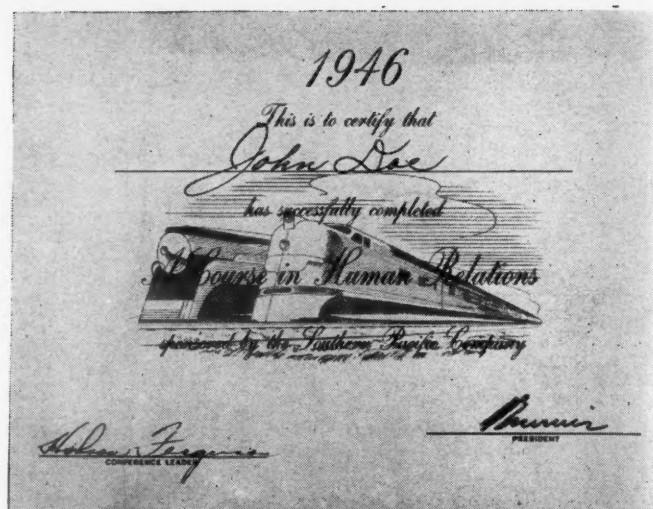
### Leaders' Technique

There are a number of noteworthy characteristics in the group leaders' technique of handling supervisors' groups. At the beginning the leaders make it plain that they are not experts in railroading in any sense, nor spokesmen for the company, but only "guides of discussion." Then it is emphasized that pooled ideas are more potent than individual handling of problems. In the course of the discussion it is brought out that supervisors get their jobs done 100 per cent through other people, and that the more efficient they become in dealing with people, the more valuable they are to the company.

The course generally winds up with general agreement on a set of guideposts for supervisors to follow. With these in hand they are better able to carry out the supervisor's mission, which the S.P. has stated as "the duty of developing the men under his jurisdiction, each according to his capacity; of recognizing the individual, encouraging pride in craftsmanship, and emphasizing the self-interest each employee has in the success of his business; of knowing his men and their problems on and off duty; and of opening the way for employees to come to him freely with their problems."

Basically, the course for employees in

**Human relations course graduates receive a certificate signed by President Mercier**



contact with the public covers the principles of how to win willing response from others, as does the supervisors' course. A notable difference is that the material in the course for supervisors is slanted chiefly toward better leadership, while the contact people are chiefly interested in applying human relations to their dealings with outsiders. Both courses stress the self-interest value of putting the same ideas to work at home and socially as on the job.

The public contact course, which consists of five two-hour weekly meetings, is directed to a wide group, including ticket sellers, city passenger agents, reservation bureau personnel, others who deal with outsiders by telephone, passenger directors, gatemen, redcaps, dining car personnel, passenger conductors, passenger brakemen and baggage-room men. But it is by no means restricted to those employees dealing with passengers. The crews of local freight trains and switching crews working private industrial sidings are invited, and every effort is made to schedule the participation of local station agents and city freight agents. In short, the S.P. plan is designed to "cover all classes of employees who, by their personal contact with customers, affect the customer's estimation of the friendliness and efficiency of our service."

For traffic "street men," a special adaptation of the course is offered. This is a course in advanced salesmanship, approached from the human relations viewpoint, and slanted specifically toward the street man's day-to-day selling problems.

Unlike the mixture of ranks which characterizes the supervisor courses, the public contact groups are more often made up of employees having like work and problems. Thus, in the case of dining car personnel, whole crews are enrolled as a unit. Because of the difficulties of assembling employees such as train service men with any regularity, each of the five sessions is complete in

itself and the course may be taken in any order, without loss of continuity. Groups of 15 to 20 men are deemed the ideal, but groups as small as 10 men have been enrolled in the case of local station agents and their staffs, for example. Groups of fewer than 10 men are considered impractical because they lack a sufficient number of participants to keep the discussion going.

To meet further the difficulties of scheduling, the ideal spacing of the sessions is sometimes sacrificed. Meetings have been held at fairly long intervals, in some instances, while in others three sessions have been telescoped into one week. In general the itineraries of the group leaders are carefully planned to insure that no leader takes more than 10 sessions a week—leaving him plenty of time to talk to employees outside the conference room. Furthermore, effort is made to avoid local schedulings which would run afoul of seasonal traffic peaks (such as the movement of the lettuce crop out of Salinas). In all cases, the setting of dates is carefully coordinated with the local officers of the road.

The sessions are held in any available central spot—freighthouses, coaches spotted on sidings, shop bays, stations, etc. A spot in which a round table may be set up is considered the best, since the comradely atmosphere of a round table, with all participants facing each other and in full view, seems to encourage good, representative discussion. The only paraphernalia required is a blackboard and chalk for illustrative purposes. Brown paper sheets make a fair substitute therefor.

At the end of each class session the leader distributes "reminder" lists of the points covered, printed on heavy cards and protected by transparent covers. These cards are designed to help employees put the ideas into practice. On the completion of the series of meetings, each participant receives an attractive vest-pocket-size binder for his cards, which is illustrated herewith



(contents copyrighted). In addition, each "graduate" is given a diploma bearing the signatures of President Mercier and of the conference leader, a facsimile of which appears in these pages.

The conference method of supervisor and employee training has been selected by the S.P. in the belief it makes it possible for all members of a group to participate actively in the evolution of the material—a process which holds their attention, opens their minds, and gives them a distinct sense of personal achievement. This method is vastly more effective than the usual lecture-type of training, where attention frequently drifts because there is little opportunity for audience participation.

The company believes that the job of teaching human relations successfully calls for something considerably beyond merely making facts and ideas available. In addition, a strong emotional appeal, based on self-interest, must be made if it is hoped to achieve the difficult goal of stimulating in the individual a sufficiently strong desire that he will consciously go about discarding old habits of dealing with people for new ones.

The S.P. has found that ordinary techniques alone, such as printed material, training films and lecture-type instruction, cannot do the job fully. True, all of these approaches are used in a supplemental way. However, the secret of the success of the conference plan is to let the employee participate in the conference discussions and sell himself in terms of his own self-interest. When he does that, the expectation of getting theory translated into conscious action is excellent. And with action comes further proof to the individual that applying common sense practices in his relationships with other people makes his work easier by avoiding friction, both with his fellow workers and with his customers.

### Key to Success

It is this ingredient of self-interest which explains the outstanding success of the S.P. conference program. Regardless of their rank, character of work or education, all railroad officers and employees welcome an opportunity for self-improvement, especially when the process is made highly interesting and the material is helpful in the solution of their specific job problems. The participants in the S.P. program have found that it meets the acid test of self-interest because it makes their jobs easier and more productive.

Actually the conference technique as used by the road is a combination of lecture and conference, in which the leader sets the pattern for discussion, draws all of his points from members of the class, and periodically lectures

informally to clarify, summarize and illustrate. Never, however, is the lecture feature permitted to overshadow the principal aim of getting the conferees themselves to originate, discuss fully and reach their own conclusions. In this, the conference leader serves chiefly as the "spark-plug," guiding the discussion by questions, clearing up imperfect answers by further questions, and drawing on his audience for illustrations from their own experience.

A job of this kind calls for great skill. For this reason, the S.P. has chosen to use professional group leaders to execute its conference program, even though their limited availability reduces the coverage of the program below the point it could reach if volunteer leaders from the railroad's own staff were utilized. The five group leaders in the program are trained students of public psychology; are themselves excellent public speakers and presidents; proved successful trainers of supervisors in various kinds of industry during the war; and are well-acquainted with such all-industry problems as employee courtesy, relationship of supervisor with employee, safety, and employee participation in technical improvements. They are versed deeply in the goals of the S.P. service program. They are not railroaders, but, in the course of the meetings, are learning the business speedily and roundly.

As a result of the skill of professional leaders in guiding the content and tenor of group discussions and in obtaining maximum participation, no officer or employee of the road has to date made a single criticism of the conduct of the meetings or the treatment accorded him. Furthermore, the fact that the leaders are outside the official family of the company gives them the impartial and disinterested role which is necessary for frank discussion.

That the program has been successful, everyone on the S.P. agrees, even though its dollars-and-cents value *versus* the \$50,000 annual cost will never be measurable directly. Auditor P. J. Kendall, for example, who has 2,000 people in his department, says that, as a result of the courses, there are now "practically no complaints from employees about their supervisors." Such "gripes" used to be a major personnel problem. B. M. Brown, general superintendent motive power, points to the program as the principal "lubricant" in helping his forces meet record demands for locomotive and car repairs.

Random quotations from the comments of typical supervisors regarding the value of the courses indicate the practical value of the program to them:

"The course has instilled a greater degree of confidence in the supervisor."

"It has improved relationships between supervisors and co-workers as well as subordinates."

"A decided improvement in leadership and effectiveness of lower-level supervisors who have completed the course."

"Heads of our own departments are treating us with more tact."

"The course has reaffirmed my opinion that modern business supervision is a science based on facts demonstrated by observation and experiment."

"I learned that employees working in the same job classification must be treated and handled as individuals and not as a group."

"I particularly learned the necessary steps to train a new worker; how to know my people; the basic wants of people; individual complexes; and even how to remember names and faces."

"Gang foremen need the course most; in many cases a \$50 labor job costs \$150 because of poor relations and lack of methods of handling men; I think the investment in foreman training will pay big dividends."

"Most of us would have been far better men if we had had the advantage of such a course many years ago, instead of having to learn the hard way, at a big expense to the company and ourselves."

### Employees Like It

Numerous approbations of the conference program have been sent the S.P. management voluntarily by graduates of the public contact course. One of the most significant came from a dining car waiter who testified that, by using the principles of human relations he had learned in the course, he changed the attitude of a bad-tempered breakfast guest to the extent that the latter asked him how he gained his skill in dealing with people. In reply, the waiter displayed his book of "reminder cards" and described the conference program at some length. The guest, who turned out to be the owner of a large department store, was so impressed that he requested a set of cards for his own employees; said it was the best breakfast on a train he had ever eaten; and left a tip of \$1.25.

A graduate dining car chef now conducts his own weekly training sessions at home for members of his large family, and reports that both children and adults are taking to human relations well and easily. A waiter who had not taken the course faced the problem of handling a woman diner who complained that her coffee was cold, when he knew it was hot enough to "burn through the cup." He asked the cook—who had taken the course—what to do. "Serve up a little human relations with the next cup," was the reply. The waiter served the woman another cup of hot coffee, saying, "I'm sorry the first cup wasn't hot enough, but I'm sure this one is just the way you like it." It was.

One employee dealing with the traveling public summed up the worth of the program when he wrote: "The man across the counter and at the other end of the telephone is thankful that I took this course."

# Railroads Could Do More to Save Cars

Shippers ought to be given a stronger incentive than patriotism for heavier loading and quick release

*[The author of this article had an opportunity to secure its publication in a magazine of large popular circulation, but he offered it to us instead when his railroad friends urged upon him the view that the proper place to launder linen of the kind here involved is "in the confines of the family."]*

*The views expressed are those of the author, not of RAILWAY AGE—but, as we conceive it, one of the valuable services which an independent paper such as ours can render its industry is to provide a forum where controversial subjects can be afforded a hearing.*

*We do not feel obliged to agree with what contributors say. We do need to be convinced of their competence and constructive purpose. If any reader cares to challenge Mr. Webber's statements with anything like the forthrightness with which they have been made, the hospitality of these columns is open to such an opponent.*  
—EDITOR.]

**F**OR many months, the railroads of this country and Canada have been seeking the cooperation of shippers in coping with a serious shortage of freight cars. The approach commonly used might be paraphrased thus: If each car is loaded and unloaded as promptly as possible—even where this necessitates working six days a week instead of five—more cars will be available and every shipper will benefit.

As an industrial cost analyst, the writer is tempted to ask railroad executives whether they are referring to conditions in this part of the world or in some area where labor is cheap. Experience here and in Canada gives little support to the statement that every shipper will benefit by speeding up the loading and unloading of freight cars. Apart from the railroads themselves, the only companies certain to realize a net benefit from this practice are those without sufficient influence to secure cars during periods of critical shortage.

The railroads have emphasized the serious increase in car idleness resulting from an industrial work week of five days instead of five and one-half or six days. This is an important factor but overemphasizing it only tends to obscure other elements. First among these is the fact that wages paid to unskilled labor have risen to the point where many companies do not find it economical to expedite loading and unloading of freight cars. This has pro-

By **EMERSON WEBBER**

Industrial Consultant

duced a radical change in their attitude toward demurrage charges. As recently as 1942, incurring charges for delayed loading or unloading of cars was generally considered an evidence of inefficiency. Today, some of the most able executives allow for demurrage as a concomitant of low-cost production. To understand how this change has come about, it must be recognized that piling merchandise in a shipping room before loading may cost nearly as much as loading a car. Similarly, handling goods after removing them from a car may cost as much as—or even a great deal more than—the actual unloading. Let me give a few illustrations from personal experience.

## Demurrage Accepted

During the war, I was asked to make a study of handling costs at a plant which received large quantities of raw materials in bags. Unloading usually began within twelve hours of the time a car was spotted on the siding and was completed six or seven hours later. Like many others, this plant had limited storage space adjacent to the mixers on upper floors. Consequently, only about half of each carload of materials was taken to the point where it would be processed. The remainder was stacked to a height of about eight feet in a ground-floor warehouse, from which it was removed as required.

The receiving clerk at this plant took great pride in the fact that demurrage charges were negligible. You can imagine his surprise, then, when I recommended that, depending upon the contents, most cars be unloaded over a period of three or four days instead of six or seven hours. However, he cooperated admirably during a test month and was just as pleased as his superiors with the decline in overall handling costs—accomplished despite an increase of nine cents an hour in wage rates and a sharp rise in demurrage charges. The key to economy in this case was, of course, a great reduction in time spent in trucking raw materials in and out of the warehouse.

(There will be some who consider

the deliberate holding of freight cars during wartime little less than treason. That such condemnation is not justified will become evident in the course of this discussion.)

In another case, I was asked by an eastern manufacturer to analyze demurrage charges which were puzzling a number of senior executives. The particular problem was that, while more than a half-million tons of scrap metal moved into two of the charging yards each year and were unloaded promptly, less than eighty thousand tons in a third yard tied up many cars past the free unloading period allowed by the railroad.

Analysis of the records after observing operations made it clear that the great variety of scrap handled in the third yard created a serious obstacle to rapid, economical unloading. However, there was little that could be suggested beyond having the purchasing department request shipment of a few grades in smaller quantities, and having the slow-moving grades invariably dumped instead of being held in cars. Emptying all cars promptly instead of gradually transferring the scrap into charging boxes would have required either a number of immense bins or an extension of the third scrap yard. The first solution called for three hundreds tons of steel; the second would have required about one hundred tons and an overhead crane. In a period of material shortages and high costs, such solutions are to be avoided where possible. Temporarily, then, the best course was to continue paying demurrage charges on a somewhat smaller number of cars used as portable storage.

In a third case, a company manufacturing a wide variety of metal products was disturbed by large fluctuations in the cost of loading box cars. Man-hours varied from less than fifteen to more than thirty in the period under study, whereas labor costs had been reasonably uniform prior to that time. Pressure applied by the plant superintendent with a view to achieving greater uniformity in time spent had only aroused the resentment of employees, since no shipping gang had an overall record markedly better or worse than that of any other.

In checking the shipping records, I found that slow loading usually occurred when certain groups of items—out of



dozens of possible combinations—were shipped together. But this did not explain why *fluctuations* in man-hours were currently much greater than they had been in past years. The answer to that question was found by watching the loading of six cars. This company, in its desire to cooperate with the railroads' request that idle car-time be reduced, was prepping mixed shipments to car dimensions before loading. Where bulky, rectangular packages varying greatly in dimensions are to be shipped together and the shipper pays the freight, prepping is often desirable since extra time spent in preparation is counterbalanced by rapid, heavier loading with less likelihood of damage through shifting in transit. But where bundles, coils and bags are to be included, prepping is a great waste of effort, since packages of irregular contour require wall support for quick placing. Obviously, mixed shipments of this type should always be loaded direct, even though a car may thereby be held overnight or longer.

Friends on the railroads tell me that since the war many roads have made a real effort to reduce the amount of overtime which employees are permitted to work. In view of this, it seems strange that so much money should be spent recommending to shippers that they work six full days loading cars, and that consignees follow a similar practice in unloading. Do railroad managements imagine that businessmen will choose to pay time and one-half for overtime when regular hourly rates have commonly doubled since 1940? If they do, they are forgetting that resistance to any increase in controllable expense is universal during peacetime.

### Realistic Viewpoint

To railroad men, it may seem that my attitude toward their appeal for rapid unloading of cars is uncooperative. "Realistic" might be a better adjective. If economical handling of goods requires that an extra ten or twenty thousand cars be tied up each day, I am not disturbed, so long as much other freight capacity is idle through causes which railroad management could correct. Again, let me illustrate from personal experience.

While making cost studies for a corporation which operates plants in the heavy industrial field, I noticed that dispatch of loaded cars was anything but prompt between Friday evening and Monday noon. A careful check at one of the plants showed that thirty to fifty-five loaded cars were undischarged each weekend. Obviously these were serving no good purpose standing on the tracks, so the subject was discussed with one of the executives. He merely remarked

that it was cheaper to pay demurrage charges to the railroads than to pay overtime rates to checkers and clerical workers for dispatching cars.

In another case last summer, I noticed two half-mile tracks of empty cars in yards of an eastern plant. Now there is nothing unusual about such lines of cars near large plants. But it *was* unusual that rust had started to show on the rails. The works manager was asked why so many empties were on hand. He explained that the car shortage was likely to grow worse—to which I could not help responding that it certainly would grow worse if many companies ordered cars into their yards two or three days in advance of actual requirements. He replied: "We want cars when we want them; and if we don't get them, somebody else will!"

In saying that tying up freight cars to achieve more economical handling of goods does not disturb me so long as much other capacity is idle through practices which management could correct, I was referring not only to cars being loaded and unloaded but also to thousands of partly-filled cars moving every day. A great many companies that ship products in barrels, drums or bags make a practice of loading such containers on end only one layer deep if this will bring weights up to minimums on which the railroads base their carload rates. Loading a second layer is necessary to utilize the carrying capacity of a freight car but shippers dislike this practice because additional labor is required. Consequently, they seek a net saving of, usually, seven to ten dollars by placing in two cars what could be carried in one. But the railroads frequently must spend several times that amount for extra cars, locomotives, maintenance, fuel, train crews and clerical services.

In view of this fact, it would seem reasonable to offer incentive for maximum loading during periods of car shortages; or, better still, temporarily increase the minimum weights on which carload rates are based. (Box cars moving from eastern territory to western might be excepted since there is a normal flow of empties westward.) As a cost man, I can say with assurance that shippers will discontinue underloading cars whenever this practice is made unprofitable to them.

Demurrage charges might likewise be adjusted according to the supply of cars. Were these charges automatically increased sufficiently during critical periods, a great many companies would no longer find it profitable to hold cars past the second day.

Having had some experience in transportation, I realize that proposals to restrict the freedom of shippers to use services largely as they please would

meet with opposition from the railroads as well as from shippers. This paradox is due to the fact that major shippers virtually control the traffic departments of most carriers—whether railroads, truckers or steamships. No statement of such sweeping nature will go unchallenged. Accordingly, I shall mention a few typical experiences of the many which have led me to conclude that carriers do not actually control their own traffic departments.

During the war, six plants of a well-known corporation received large quantities of resin packed in heavy paper bags stood on end only one layer deep in box cars. While having lunch with a freight solicitor for one of the roads which handled much of this traffic, I remarked that it seemed very wasteful to haul a great number of extra cars distances averaging about eight hundred miles; and all the more so since the shipper could double the load of this particular product at a labor cost of five to seven dollars a car. About three weeks later, my friend stopped me on the street to say that his road has discussed the question of heavier loading with the shipper. In effect, the shipper's response had been: If you don't want our business, just say so! The cars continued to move half-loaded.

### High Damage Claims

In the spring of 1940, while making a study of stockpiling costs at a wood-working plant, I happened to witness the settling of a claim against one of the larger roads. The item involved was an expensive mahogany table which the consignee reported as having been found damaged upon receipt. It had been sent back to the manufacturer to be repaired. Pains-taking examination of the crate and contents led to a definite conclusion. Apparently one of the consignee's receivers had allowed a nail to graze the table top as he was lifting off a strip. Then, finding that he could not conceal the scratch by rubbing it with spittle, he had gouged the top and reported it as received in that condition.

The manufacturer offered to give the claim adjuster a letter setting forth these findings—even at the risk of offending his own customer. Was the offer accepted? It was not. Why? Because the consignee was a large company which controls the routing of shipments to its department stores. The claim adjuster knew only too well that the slightest displeasure would be considered sufficient cause for changing routings to some other road.

In another case, I saw an adjuster recommend settlement of a fifty-three-dollar claim for damage to pottery reported to have occurred in transit. Of

the first twenty broken pieces examined, seventeen bore price markings, which was proof that most of the damage had occurred *after* unpacking. Why did the carrier pay the claim? Because the consignee was a chain which operated stores in at least fourteen states. Incidentally, the district offices of this particular company issue quarterly bulletins showing which stores stand highest in claims made. At the bottom of the bulletins are questions such as: "Are you among the leaders?"

If it seems that I am singling out chain and department stores, let me say that in the fall of 1942 I was in the offices of a processor of crude chemicals when a senior official issued orders that small damage claims be filed for amounts triple the actual losses—on the supposition that carriers would pay such claims without inspection. The official sought to justify his instructions by explaining that collecting a hundred dollars of small claims requires a great deal more clerical work than one large claim.

### Loading a Major Cause

It should not be assumed that most damage claims are either inflated or downright fraudulent. After serving companies which purchase from at least six thousand suppliers and ship to more than ninety thousand outlets, I am inclined to think that fewer than three out of ten claims are "stuffed." However it is unquestionably true that carriers lose very large sums through faulty packing and loading. I have known scores of cases where damage resulted from the use of flimsy crates or lightweight cartons or drums. And I would not even attempt to estimate the number of cars I have seen carelessly loaded. Yet only four instances of carriers asking that bad practice be corrected have come to my attention. Three of the four requests were addressed to small shippers.

The ways in which major shippers bend the traffic departments of carriers to their will are legion. Unlike some truckers and steamship lines, railroads rarely handle freight at lower-than-published rates. But they regularly yield to pressure in such matters as switching charges and use of cars in industrial plants.

In the early 1920's, a leading manufacturer of wire products made it known that he was prepared to favor either of the railroads which could, and would, switch cars between his main plant and a subsidiary. He made it clear that he wanted the cars moved cheaply; then assured himself of this by grossly overstating the number to be switched at one time. As a result, the road which accepted the business recovered approximately one-fourth of the cost of

this work during 1946. And the manufacturer continues to use the threat of withdrawing other (profitable) tonnage as a weapon to resist the setting of a fair switching charge.

Theoretically, manufacturers are expected immediately to reload or return cars to the railroads when they have been emptied. Actually, thousands of cars are retained by heavy industrial plants every day for moving materials from one department or building to another. The users know that this equipment is needed by the railroads but they find that it is cheaper to pay small rental charges on a skilfully-manipulated revolving stock of cars than to purchase and maintain adequate supplies. Railroad traffic departments know this. They also know that steel mills and producers of heavy machinery and equipment are notorious for dangerously overloading cars in plant use. But little is done to correct these conditions because big shippers must not be offended.

Railroad men may feel that my attitude is definitely unsympathetic. Let me say that I have too many relatives and friends in the transportation field to overlook the fact that all but the smallest carriers have many serious problems arising from decentralization. I realize also that political interference hampers sound rate adjustments and abandonment of unprofitable mileage. Further, after serving three manufac-

turers, part of whose production was devoted to railway equipment and supplies, I am aware that the massiveness of the rolling stock now in use obstructed introduction of lighter equipment which could have been produced in larger quantities from the limited amount of steel available. But the general public has little opportunity to acquaint itself with most of these problems. The man in the street has been told that rate increases which became effective January 1, 1947, will add roughly one billion dollars annually to railroad revenues. He also knows that many roads widely advertised their success in handling record tonnages during the war. Is it then to be expected that the average citizen will overlook serious production and delivery bottlenecks now being created by car shortages? Hardly!

And much less likely is it that businessmen and employees directly affected will be appeased by those carriers who do little more than deplore the effect of a five-day industrial work week.

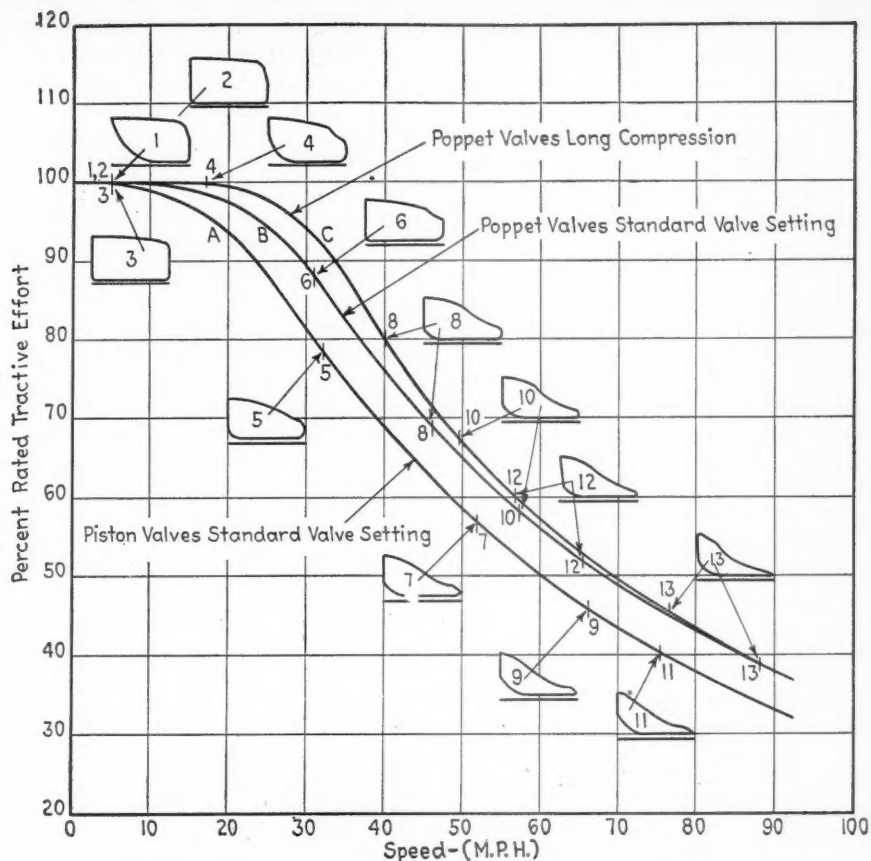
If the railroads do not make it financially advantageous for shippers to load heavily, unload without delay, and surrender empty cars instead of using them in their plants or holding them in reserve, car shortages will continue—and possibly grow worse. In that event, the railroads will be risking government operation or ownership.



A corner of the new city ticket office at the Atchison, Topeka & Santa Fe at Los Angeles, Cal. Directly over the cashier's booth in the background is a mural of the Grand Canyon, the last work of the late Maynard Dixon, western artist



**Rotary exhaust-valve cams cut to effect high compression at full-stroke cut-off—Added piston displacement increases low-speed hauling capacity**



Three possible tractive-force characteristic curves of a steam locomotive with 300 lb. boiler pressure and 740 deg. steam temperature. Curve A is from test results when equipped with piston valves. Curve B is obtained when the locomotive is equipped with the Franklin System of Steam Distribution. Curve C illustrates the effect of long compression

## Long-Compression Poppet Valves Increase Low-Speed Tractive Force

**T**O further implement the added power and greater efficiency obtained from steam locomotives equipped with poppet valves, a long-compression system has been developed by the Lima Locomotive Works, Lima, Ohio. In conventional valve-setting arrangements the exhaust valves are open for practically the entire stroke when the cut-off is at its maximum for starting conditions, and the compression is gradually lengthened as the cut-off is reduced.

In the long-compression system compression starts off at nearly the entire stroke in full gear at maximum cut-off and then gradually shortens to normal as the cut-off approaches mid-stroke, and then increases again as the cut-off is further reduced. The loss of mean effective cylinder pressure at starting is offset by increasing the piston area or the boiler pressure, or a combination of both. The mean effective cylinder

pressure remains nearly constant as the locomotive is hooked up to about mid-stroke, and for the shorter cut-offs operation becomes normal.

The chart of the composite curve illustrates that a more efficient tractive force may be obtained than with the standard valve setting. This additional tractive force between starting and maximum speed permits the same tonnage train to be accelerated faster at stops and slowdowns and thereby speeds up overall operation. The long-compression feature keeps the locomotive from slipping violently at starting, thus providing better control. The increased piston thrust will permit the locomotive to operate at shorter cut-offs at maximum power speeds, thereby tending to reduce the steam consumption and increasing overall efficiency.

Curve A shows the tractive-force characteristics of a modern steam loco-

motive with 300-lb. boiler pressure and 740-deg. steam temperature. The per cent rated tractive force has been plotted against speed from test results. Indicator cards constructed from coefficients for locomotives of this type are shown at points on this curve which correspond to the mean effective pressure of each card.

Curve B has been calculated for a locomotive of the same boiler output and cylinder dimensions but equipped with the Franklin System of Steam Distribution. The indicator cards shown at various points on this curve have been constructed from coefficients derived from test data of similar locomotives and are shown at points on this curve which correspond to the mean effective pressure of each of these cards. Card No. 2 would be obtained at 5 m.p.h. on Curve B.

On a locomotive represented by

Curve *B*, equipped with the Franklin System of Steam Distribution Type *B* (rotating-cam gear), it is possible to cut the cams so that exceptionally high compression will be obtained in the long starting cut-offs, while conventional compressions will be obtained in the middle range from 50 to 65 per cent cut-off. Compressions in the shorter cut-offs will be the same as those usually provided for the Franklin System of Steam Distribution and will be only high enough to permit smooth running in the high speeds generally associated with the shorter cut-offs.

Indicator card No. 1 shown at the

5 m.p.h. speed on Curve *C* illustrates the effect of long compression on a long cut-off starting card. This card has a mean effective pressure equal to 87 per cent of the mean effective pressure obtained from card No. 2. Therefore, in order to obtain the same starting tractive force as is obtained from card No. 2 on Curve *B*, the cylinders of the locomotive represented by Curve *C* should be increased about 15 per cent in displacement.

When this is done, the locomotives represented by Curves *B* and *C* both have the same starting tractive force. In any given running cut-off, the larger cylinders of Curve *C* would use the

boiler output at a proportionately lower speed, but due to the increased displacement the tractive force would be proportionately increased. Thus, in the speed range where tractive force is governed by boiler output, each of the cards shown for Curve *B* applies to a point of Curve *C* at a lower speed but at a higher tractive force.

In this way it is possible to use cylinders of relatively large displacement from which tractive forces higher than those obtainable from the usual application of the Franklin steam distribution system can be produced without decreasing the starting factor of adhesion.



The Diesel-electric which serves the Saratoga & Schuylerville

**T**HE Saratoga & Schuylerville, with 32 miles of track serving Saratoga, Schuylerville, and Mechanicville in upstate New York, estimates that it will save \$15,000 annually with its new Alco-G.E. 70-ton Diesel-electric locomotive now in operation. Purchased last year from the Boston & Maine, the Saratoga & Schuylerville is a link between that line and the upstate New York area, hauling coal, molding sand, paper, grain, wallpaper and other industrial products. Having handled 2,300 freight cars of all types in 1946, the line expects to increase this number to 3,000 in 1947, with car tonnage showing a 60 per cent increase over

1946. Based on present operations, the 70-ton Diesel-electric will operate 20,000 miles this year.

Replacing a 70-ton 2-6-0 steam locomotive, the 600-hp. 70-ton Diesel-electric has shown a weekly saving of over \$105 in fuel costs, based on a six-day operating week, ten hours a day. Approximately \$250 a month is saved by the elimination of hostler services. The Diesel-electric requires refueling only every four or five days, whereas the steam locomotive had to be serviced every day.

Maintenance on the Diesel as compared to the steam locomotive is considerably less. It is serviced every

## Seventy-Ton Diesel-Electric Shows 25 Per Cent Saving

two weeks, on Sundays, at a cost of approximately \$75 a month, and thus does not interfere with weekday availability. All maintenance is done in the Saratoga & Schuylerville's new shop. With the former steam locomotive, considerable maintenance expense was incurred in that the locomotive had to be sent to the Boston & Maine shops for repairs.

The Diesel's lighter weight and better distribution of axle loading make road maintenance easier on the railroad's 75-lb. rail, and allows a greater safety margin where bridge loading is limited to 75 tons. With the steepest grade on the line approximately  $2\frac{1}{2}$  per cent, the locomotive has made the haul with 525 trailing tons. Operating in either direction, it eliminates turnabouts, resulting in considerable time saving on each run.



# *Insured Solvency the Best Armor Against Nationalization*

**R**AILROAD earnings sufficiently high to insure the solvency of the industry offer the sole means of avoiding nationalization—not only of railways but of all forms of transport, and perhaps other industries—the Railway Business Association warned in a statement made public this week. The railroads constitute the front trench, which if captured will lead to the seizure of other basic industries, according to this report by P. Harvey Middleton, executive vice-president of the association, entitled “Solvent Railways as a Bulwark Against Socialism.” Support is given to the present effort of the railroads to achieve a 6 per cent return on investment.

Harry A. Wheeler, president of the association, said in a foreword: “Our American way of life through retention of the principle of private ownership will depend hereafter upon what Congress may do to assure the perpetuation of that principle in transportation. Shall we here in the United States escape what Britain is undergoing today in making transportation, public services, and other basic industries, government monopolies under a socialistic economy?”

“If we do, it will be through a militant public sentiment demanding that public authority (Congress, commissions, courts) upon whom is conferred power to impose costs and fix rates, prices and procedures, shall, with diligent promptness, move to equalize the effects of these impositions.”

Mr. Middleton pointed out that with the imminent nationalization of all British transportation the United States is the only major country in which all of the railways are still owned and operated by private enterprise. With increasing inroads of socialism in other countries, the association foresees repercussions here, and, the report observes, “If American railways are forced into bankruptcy as a result of governmental policy which denies them adequate earning power we shall be face to face with the danger of nationalization, not only of the railways but of all forms of transportation, because, as in England, once the government takes over the railways, it will very soon find it necessary to take over the common carriers on the highways, waterways and airways.”

“It is not too much to say that the future of private enterprise in this country depends to a very great extent upon fair treatment of the railways,”

Mr. Middleton observed. “If they are to continue to serve the public efficiently, they must have a sustained earning power which will encourage investors to put their money into the business, confident of a satisfactory return.”

Comparing service and management under government control and private enterprise Mr. Middleton said: “If anyone thinks that government-owned railways will serve him as efficiently and economically as privately-owned railways, let him look at the record of government operation of railroads in many other countries—a record which is replete with stories of political chicanery, of overstaffing with political appointees, and of huge deficits borne by the taxpayer.” He also recalled the immense deficit incurred under government operation of American railroads during the first world war.

## **Transportation First**

“In all the countries which have adopted socialism as their form of government, nationalization of transportation and methods of communication is the first step to the taking over of other basic industries. As one observes the increasing inroads of socialism in other countries, the outstanding fact is that when socialism wins, its chances of staying in power are at least not hindered by the fact that if losses are incurred in the mismanagement of a basic industry, those losses become only a part of the whole cost of government and may pass unnoticed by the general body of voters.”

“Even if a socialist government should be succeeded after a few years by one which favored free enterprise, it is more than likely to find that in the interim the relentless pressure of taxes under the socialist regime had resulted in such a severe reduction in the number of persons with capital to invest, that the refinancing of industries released from nationalization would be very difficult. That is already happening in Great Britain, where the individuals formerly relied upon to furnish the money and the skill necessary for the management of great industries, such as railroads and other public service corporations, are being pushed lower and lower in the financial scale.”

“The longer a socialist government stays in power in any country, the greater is the displacement of the experienced operator by the bureaucrat,

and the more difficult is the revival of anything resembling the American way of life.

“The financial structure of our railways and other public service industries can be seriously damaged by a policy of awarding wage increases which are made effective long before permission is granted to raise rates to compensate, at least partially, for these increased labor costs. For example, in 1946 increased wages and resulting increased payroll taxes amounted to \$702 millions, and increased material costs approximated \$120 millions—or a total of \$822 millions over comparable costs in 1945. To offset this increase the Interstate Commerce Commission authorized the railways to increase freight rates in the last half of 1946 by about 6 per cent, which produced additional freight revenues of only about \$180,000,000. . . . The result was that in 1946, while the railways handled the heaviest traffic in peacetime history, they earned only 2¾ per cent on their net investment.”

Mr. Middleton stressed the importance of rail earnings as a factor in American business and prosperity. “Railroad earnings will remain in the stream of business and economic activity,” he pointed out. “The greater part of what railroads take in is immediately paid out in wages, both to those who work for the railroads directly and those who work at making all the different things which railroads buy and use. In 1946 Class I railroads expended \$2,134 million for fuel, material and supplies, and gross capital expenditures for new equipment and other additions to plant—a record figure. The railroads normally purchase approximately 23 per cent of the nation’s bituminous coal and nearly 20 per cent of the nation’s fuel oil, lumber, and iron and steel products.”

“It is hardly necessary to emphasize the importance to the entire business structure of the United States of the preservation in full vigor of the solvency of an industry which, if it is permitted to earn an adequate return on its investment, will be in a position to provide the most efficient system of transportation this country has ever known. The railways constitute a typically American industry, financed and operated by private enterprise. They own and maintain all of their facilities.”

“Because the railways depend entirely upon their own earnings for maintenance and improvement, railway earning power is the yardstick of their ability to continue providing for the country the kind of service it must have for its economic welfare. Inasmuch as rail transportation service supplies the principal means of commercial transport for American shipping and travel needs, the nation has an important stake in the earning power of its railroads.”



The operation of Diesel power is calling for major adjustments in present steam locomotive watering facilities

## ***Diesels Present New Watering Problems***

**Most steam locomotive facilities are improperly located for new services—Even available municipal supplies require treatment to adapt them to requirements**

**D**IESEL locomotives require water for cooling purposes not unlike that for the cooling systems of automobiles, except that, with Diesels, the service requirements are much more severe. The engine-block castings of Diesel engines are lighter in weight in proportion to the service requirements; also, the use of aluminum and lightweight alloys in their radiators and connections makes these parts of their equipment readily susceptible to corrosion. Distilled water, or water of equivalent quality, which will not produce scale and, on the other hand, will be absolutely non-corrosive by reason of treatment with proprietary compounds containing chromates, phosphates and soda ash, is, therefore, desirable on line for cooling purposes. The same quality

**By E. M. GRIME**

*Engineer of Water Service (Retired),  
Northern Pacific, St. Paul, Minn.*

of make-up water should be added at terminals to hold the cooling liquid up to proper operating level.

The real water problem in Diesel passenger locomotive operation, however, comes about in the heating of trains. When a steam locomotive is on the front end, heat for the train presents no problem, since the steam demand for train heating is normally but a small fraction of the total load. Furthermore, the water requirements of the steam locomotive have been completely developed through long years of experience. The Diesel, on the other

hand, being a powerful compact unit, designed primarily for the purpose of reducing running time and terminal delays, has but limited water storage space; does not require water at the same points where previously furnished for steam equipment; requires more refinement in water treatment; and thus introduces many new problems for the water engineer. To permit passengers to become chilled as a result of lack of heat or to fail to furnish plenty of hot water for passenger cars is unpardonable even under most severe winter conditions; hence, absolutely reliable steam-heating facilities are demanded.

The Diesel heating boiler in almost universal use today is the Clarkson flash-type boiler, which is capable of raising water to the temperature of steam at



200-lb. pressure in a period of a few minutes. This is a highly efficient boiler, but because of its high steam production, no corrosion of its coils must be permitted, and they must be maintained absolutely free from scale accumulation. If this is not done through the provision of suitable water, service failures will result, with attendant costly repairs.

Even where suitable water is provided, some roads, as protection against possible failure of this vital equipment for any reason, hold in stock at convenient points extra new or repaired coils for these boilers. These coils can be installed in a few hours, but the total replacement cost, including material and labor, could amount to as much as \$800.

### Proper Station Spacing

Most Diesel passenger locomotives consist of three units, with water capacity of 200 gal. in the first unit and of 1,200 gal. in each of the two following units—a total of 2,600 gal. for heating purposes. For a 15-car passenger train, with watering points at about 400-mi. intervals, the water demand for heating will run from 1,000 to 2,600 gal., depending on the weather temperatures

and the elapsed traveling time between watering points. The 400-mi. spacing of water stations appears to be necessary and otherwise advantageous in the Northwest, but may be lengthened in localities where extremely low temperatures are not governing. To avoid unnecessarily frequent water stops, without the danger of water shortages, additional water storage may be had on Diesel trains by providing supply tanks in the baggage cars of these trains. The suggestion has also been made that a car of special design, to house water storage, fuel and heating unit, be provided near the center of each train, carrying sufficient water and fuel to cover an entire run of say, 2,000 mi. But this would probably mean added labor expense and seems inconsistent with the fundamental aim to make the modern passenger train as light in weight as possible, consistent with safety.

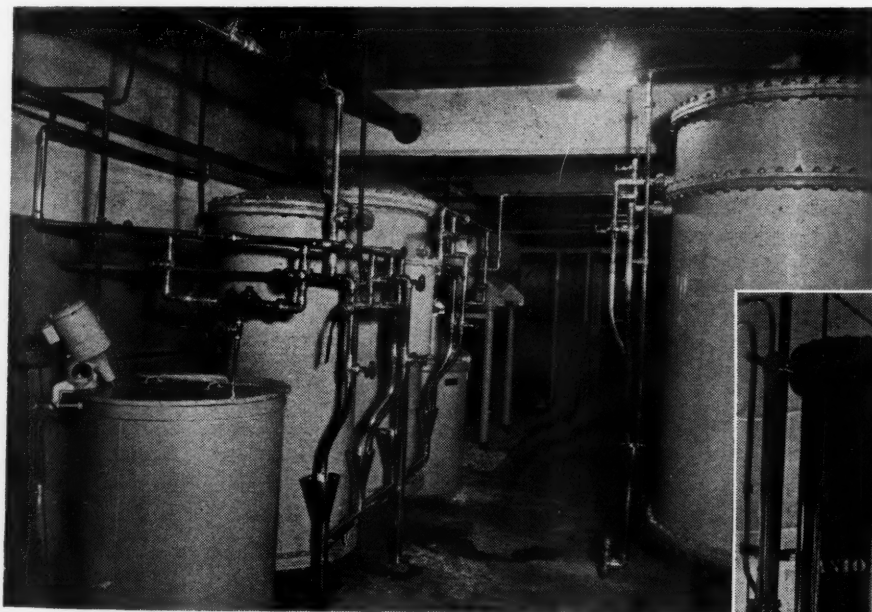
Since reduction in running time is a prime requisite, the taking of water at even 400 or 500-mi. intervals should be held to a limit not exceeding five minutes. When 4,000 to 6,000 gal. of water are required at a stop to fill the storage tanks of the Diesel units, and those in the baggage car, where provided, it is necessary to make provision

to furnish this water in about a three-minute water-flowing period. With four water-tank inlets in use at the same time, this calls for the installation of a pump of sufficient capacity to provide a 500-gal. per min. flow to each inlet. Ordinarily, this means high-pressure supply lines, 4 to 6 in. in diameter, depending on friction losses, constructed of screwed, welded or flanged steel pipe. Since quick-opening valves must be used at the tank inlets to save time in filling operations, the water hammer inherent in the operation of such valves is likely to cause the cracking of ordinary cast iron pipe or the blowing of the lead joints in cast iron pipe lines.

To avoid an additional stop at stations, watering facilities must be provided at both ends of station platforms. Supply lines must, therefore, extend the full length of the platforms, with complete watering outlets at each end, and the plant must include duplicate high-pressure pumping units, preferably so interconnected that in case of failure of one pump, the other will be ready to serve either end of the platform. By means of push-button control switches located at the extreme ends of the station platform, near where the Diesel units will stop, the car men serving the water to these units can start the high-pressure pump involved just about the time the train comes to a standstill, ready for watering.

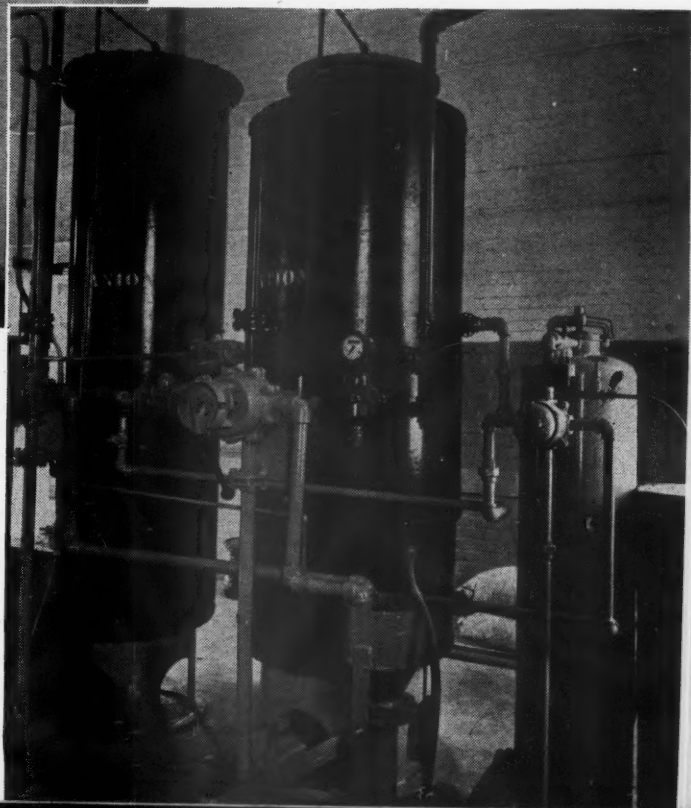
### Special Treatment

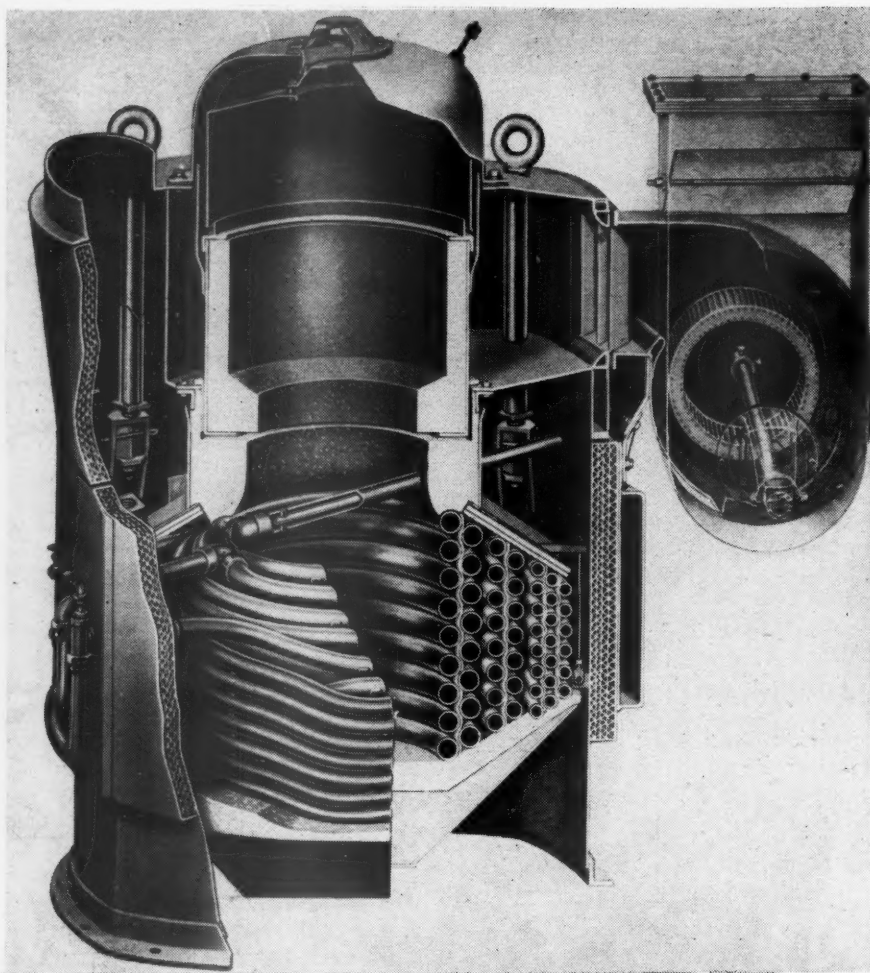
A variety of problems are presented in providing the most effective and economical conditioning of the water required for successful Diesel operation.



A Nalcostill installation of the National Aluminate Corporation at a large railroad terminal, which during the past nine years has furnished more than 30,000,000 gal. of demineralized water for Diesel locomotives

A Dearborn water de-ionizing plant, showing exchanger tanks and auxiliary softener plant equipment. The plant also includes a de-carbonator; pH correction equipment, automatic purity controls and water storage tanks, not shown





A cut-away view of a Vapor Clarkson steam generator, in almost universal use on Diesels for heating purposes, showing coils, combustion chamber, blower fan and steam temperature limit control

In the first place, the watering of steam locomotives frequently takes place at engine terminals or other out-of-the-way places where it is not practicable to stop fast passenger trains; hence, existing facilities cannot be utilized for watering Diesel trains. At some other places, steam locomotive supplies may be available. If such supplies afford good, clear, carefully-treated water from lime-soda plants, which can be provided under high pressure and given additional treatment with phosphates sufficient to preclude silica scale formation, they may work out satisfactorily for Diesel operation.

At some locations distilled water from a near-by stationary plant has been made available for Diesel supplies. With suitable treatment such water will answer the purpose. At many other important passenger train stops, the water must be furnished from municipal supplies. While such water may be of sanitary quality, it usually is unsuitable for steam generation by Diesel equipment until it has been properly conditioned. Usually, either complete or partial demineralization of such water, followed by de-aeration, works out to best advantage at minimum cost.

The treating equipment required at a point under these circumstances, in addition to demineralizer units, pumps, etc., includes a storage tank with capacity equal to approximately twice the demand of two or more trains that may meet at that point. Providing liberal storage permits the use of comparatively small-size demineralizing units or other treating equipment, which, under practically automatic operation, will have sufficient time between train movements to build up the treated water storage. The small plants usually required for this purpose may be located in the basement of a passenger station or in other unused space, but if suitable existing space is not available, a separate new building will be required. Such a building should usually be about 40 ft. square, the size depending upon treated water storage required.

The operation of the water treating equipment involved can be made so nearly automatic that it may require no other attention than what can be given by a depot attendant during his regular tour of duty. Under present costs, the construction of new plants of this type, complete with pipe lines, etc., will average about \$25,000.

## Coach-Yard Hydrant

A hydrant for use in watering passenger coaches, either in yards or at station platforms, which has been designed to meet not only the requirements of the United States Public Health Service but also the health standards of various states and municipalities, is now being offered by the Railroad Products Company, Cincinnati, Ohio. Known as the McGarry Hydrant, this product is the result of five years experimentation on types of hydrants that would conform to the U.S.P.H.S. "directive" prescribing certain requirements for hydrants to be used in supplying passenger cars with water.

The new hydrant is designed to eliminate all drain water from the hydrant standpipe, and is one in which neither stored water nor water contaminated by outside sources can enter the flowing stream when water is being delivered. It is constructed with a reservoir into which all water in the completely-enclosed hydrant standpipe will drain after use. This reservoir contains an ejector unit, consisting of a float, a pilot valve and an ejector. As waste water drains from the hydrant standpipe into the reservoir, the float rises until, at the top position, it actuates the ejector, causing all drain water to be ejected through a tube, the discharge opening of which is located on top of the hydrant, 4½ in. above the drain ports. The drain water can then flow away from the hydrant into a sewer or French drain. As the water is discharged, the float returns to its lower position. The 4½-in. air gap is said to constitute further assurance that no contaminated water can enter the hydrant reservoir. An additional safeguard is provided by protecting the outlet nozzle with a cover.



As shown in this view, the outlet nozzle of the McGarry Hydrant is fully covered to prevent exterior contamination



# Pullman Under Railroad Ownership

**Business to remain "intact," says Carroll Harding, new head; will sign "uniform, non-discriminatory" contracts**

THE new management of The Pullman Company—set up by the 57 railroads which purchased the 80-year-old firm—intends "to remove all uncertainties in the operation of the sleeping car business at the earliest possible date," according to Carroll R. Harding, newly elected president (announced briefly in the July 5 *Railway Age*), who assumed his duties at Chicago last week as the sixth head of the company. He succeeded D. A. Crawford, who continues as president of Pullman, Inc., the vendor corporation.

The purchase of The Pullman Company—completed on June 30 at Wilmington, Del.—climaxed seven years of litigation under federal anti-monopoly statutes, which resulted in a decree whereby Pullman, Inc., the holding corporation, elected to sell its sleeping car subsidiary and retain its car manufacturing business, the Pullman-Standard Car Manufacturing Company. The vendor also retains three additional subsidiary corporations, the Pullman Car & Manufacturing Corporation of Alabama, the Pullman-Standard Car Export Corporation, and the M. W. Kellogg Company.

Immediately following the buying ceremonies at Wilmington, Pullman's new board of directors at Chicago elected Mr. Harding, former assistant to the president of the Southern Pacific at San Francisco, Cal., as president; Charles H. Westbrook, former comptroller of the Chicago & North Western, at Chicago, as vice-president and comptroller; and re-elected G. A. Kelly and J. M. Carry as vice-presidents.

To complete the company's purchase, railroad representatives (G. H. Howe, treasurer of the New York Central; R. M. Hogin, comptroller of the Atchafalaya, Topeka & Santa Fe; and John B. Hyde, vice-president of the Southern) handed checks totaling \$40,202,482 to vice-president L. S. Taylor of Pullman, Inc., in payment for certificates representing the entire 731,350 shares of capital stock of The Pullman Company. Eighteen months earlier, individual railroads had purchased from Pullman its fleet of parlor cars and some 600 lightweight sleeping cars, for approximately \$35,995,000 in cash.

According to the 1946 annual report of Pullman, Inc., the latter plans to use the proceeds from the sale of the sleeping car business—totaling more



Carroll R. Harding

than \$76,000,000—in (1) expansion along the lines of present activities of its subsidiary corporations in the Pullman group; (2) or in acquisitions of going enterprises in other lines of activity; (3) or in purchases of Pullman, Inc. stock, either on calls for tenders or in the open market, with the purpose of retiring such purchased stock and thereby effectuating a reduction in capital.

## Objectives of the Owners

Pullman's new president asserted that the sleeping car business would be kept "intact," and would continue to provide the public with the service for which it has become known. In an interview with *Railway Age*, Mr. Harding declared: "The sleeping car business has been in an 'uncertain' state since the anti-trust suits were brought against the Pullman affiliates in 1940. This is entirely too long for such an important business to be unsettled. It is the prime objective of the new management of The Pullman Company to carry out the agreement among the stockholders at the earliest possible date so as to remove all uncertainties. . . ."

The buying railroads, he said, propose to continue The Pullman Company so as to serve railroads desiring its serv-

ices on a non-discriminatory basis. Not later than December 31, 1948, it is to be changed into a purely service company, which will assure the continuance of the so-called "hotel servicing" of sleeping cars for all railroads desiring such services. It will also supply available pool sleeping cars as individual railroads request them. It is planned ultimately to dispose of the company to independent interests outside of the railroad field, Mr. Harding added.

He expressed the opinion that few railroads would elect to conduct the sleeping car business on their lines themselves. The non-buying railroads, he asserted, would be accorded the same sleeping car services that are available to the "buying group."

## Little Effect on Employees

With the exception of a few executives, Mr. Harding stated, Pullman's 30,000-odd employees would remain with the company. The executives in question resigned their positions in compliance with the court's order that no officers nor directors hold positions both with The Pullman Company and Pullman, Inc. The former's entire board of directors has resigned, and has been replaced by a new board (see *Railway Age* of June 28, page 1329). The following officers, who held dual positions with both firms, have also resigned but continue their connections with Pullman, Inc.: Mr. Crawford; Mr. Taylor; L. M. Greenlaw, vice-president and general counsel; Alexander F. Brevillier, comptroller; and John F. Lane, secretary.

In a letter addressed to Pullman employees on July 1, Mr. Harding stated: ". . . changes in management personnel will be slight and we look forward to continuance of friendly and efficient relations between officers and employees. . . . It is the sincere hope of the railroad stockholders of Pullman that the support and cooperation that has helped make Pullman the great American institution that it is will continue and that there may be an even closer bond between railroad and Pullman employees in the service of the American public. Only the highest type of service will hold public patronage, and give us security and improvement in our jobs. . . ."

Mr. Harding characterized Pullman's

16-man, non-railroad board of directors as a "splendid thing," pointing to it as a "strong board composed of sound businessmen." Mr. Harding and Mr. Westbrook, both board members, resigned their respective railroad positions before election to their new posts with The Pullman Company.

### Uniform Contract

A new uniform contract, the Pullman executive explained, will be submitted to the railroads, retroactive to January 1, 1946. In substance, the contract provides that The Pullman Company will (1) service, or to the extent that it has sleeping cars available, will furnish and service, for any railroad contracting therefore, sleeping cars owned by or leased to Pullman, and keep them in good repair, and (2) collect the fares for seats, berths and other accommodations. The railroads shall (1) haul the cars over their lines without charge to The Pullman Company; and (2) require their agents to sell tickets for seats, berths and other accommodations and for certain other services and facilities. The Pullman Company will receive the entire gross revenue from sleeping car operations on each railroad, and will deduct therefrom the railroad's car-operated proportion of (a) The Pullman Company's total expenses of operation (b) interest return of 3 per cent on The Pullman Company's depreciated property investment and (c) The Pullman Company's payment of interest of rental on cars leased to it by railroads.

Of the balance of gross revenues, the railroads shall then be entitled to an amount equal to items (b) and (c) above, to the extent such revenues are sufficient. Any remaining revenues shall be divided equally between the railroads and The Pullman Company. Where the gross revenues from sleeping car operations on any railroad are insufficient to cover items (a) and (c) above, the railroad shall pay to The Pullman Company the deficit.

Any net earnings resulting to The Pullman Company from application of this formula, including the use of average expenses of operations, would be available for payment of interest on certain notes, dividends on its stock and for other corporate purposes.

The Pullman Company was activated when one car was placed into operation on the Alton in 1859, by its founder, George M. Pullman. Incorporated in 1867, the business expanded its operations until 1900, when it absorbed into the Pullman system the last of the separately-owned and operated sleeping car companies. During subsequent years, Pullman took over most of the remaining railroad-owned-and-operated sleeping car services. The firm now

operates approximately 6,500 cars on nearly 1,400 lines extending over the nation's railroad network. During 1946, while it serviced the largest peacetime traffic volume in its history, Pullman's net carrier earnings, after provision for federal taxes on income, were \$407,274.

The sleeping car company will retain its present name and continue to maintain its headquarters in Chicago, Mr. Harding stated. Mr. Harding said that the company's separation from Pullman, Inc., with which were operated in common certain "housekeeping" duties, will necessitate no enlargement of its staff.

The Department of Justice's original anti-trust suit against the Pullman affiliates was filed on July 12, 1940, charging that Pullman forced "restrictive" contracts on the railroads and prevented the latter from using modern, lightweight streamlined cars manufactured by competing companies. The federal district court at Philadelphia, Pa., handed down its opinion on April 20, 1943, holding that "there has been a violation of the Sherman Act." As the result of a decree entered on May 8, 1944, directing that it separate its sleeping car and car manufacturing businesses, Pullman, Inc., elected to retain the Pullman-Standard Car Manufacturing Company and dispose of The Pullman Company, the operating affiliate.

Following a series of court sessions—during which a number of interests sought to purchase The Pullman Company—the holding company contracted in 1945 to sell the business to the railroads. The court approved the sale in January, 1946, and in March of this year, the U. S. Supreme Court affirmed the sale, after appeals by the Department of Justice and other parties who had intervened, seeking to block the sale to the railroads. Last May, the Interstate Commerce Commission approved the railroads' pooling plan (*Railway Age* of May 24, page 1093), paving the way for completion of the purchase.

Mr. Harding has been preceded by only five Pullman presidents, the first of whom was Mr. Pullman, who died in 1897. The other presidents, successively, were: Robert Todd Lincoln, Chicago attorney and son of President Abraham Lincoln; John S. Runnells, attorney, who succeeded Mr. Lincoln when he retired in 1911; Edward F. Carry, distinguished car manufacturer, who became president in 1922; and Mr. Crawford, who succeeded Mr. Carry after the latter's death in 1929.

The new president was born in Hallowell, Me., on July 4, 1888, and was educated in the public schools of Baltimore, Md., at the Baltimore Polytechnic Institute and Cornell University. He was graduated from the latter as a civil engineer in 1910. He began his career

with the Alaska Boundary Survey, and was associated later with the Isthmian Canal Commission, the Michigan-Canada Boundary Survey, the International Waterways Commission, and Costa Rica-Panama Boundary Survey.

Mr. Harding entered railroad service with the Southern Pacific in 1913, in the engineering department, and held various positions in that department until his election as assistant to the president in 1929. He has been an officer and director of various subsidiaries of the S. P., including the S. P. of Mexico and the Pacific Greyhound Lines.

### Mr. Crawford's Career

A large majority of present-day sleeping car improvements—particularly the development of the roomette and the all-room sleeping car—were accomplished during Mr. Crawford's 18 years as president of The Pullman Company and Pullman, Inc. His election to the latter posts in 1929 was preceded by 22 years service with railway equipment manufacturers and operating companies.

He was born at St. Louis, Mo., on April 1, 1879, and received his higher education at the University of Alabama and the University of Wisconsin. Following graduation from the latter in 1905, Mr. Crawford served as an instructor there, until 1907 when he joined the American Car & Foundry Co., as a stenographer and assistant secretary. In 1916 he was elected treasurer and subsequently vice-president of the Haskell & Barker Car Co., where he remained until 1922 when he was appointed vice-president and assistant to the president of The Pullman Company. Two years later he was elected president of the Pullman Car & Manufacturing Corp. (now Pullman-Standard Car Manufacturing Company). In 1928 he became executive vice-president of The Pullman Company, which position he held until his election the following year to the presidency of both the latter company and Pullman, Inc.

A QUESTION FOR THE BROTHERS.—Capital has the right to expect that both labor and management will give it the utmost consideration. Capital is what makes the jobs for both labor and management and provides goods and services for the public. Labor too often forgets the place of capital, it forgets that without capital it would have no tools and no jobs and this is so whether the capital comes from private enterprise as in the American system or whether it comes from the people through taxes or confiscation as in the totalitarian countries or under nationalization. Can there be any doubt that labor has fared infinitely better under the American system?—From an address at Fort Worth, Texas, by Daniel P. Loomis, executive director of the Association of Western Railways.



# High Level Railway Buying Continues

**April purchases of miscellaneous materials and supplies from manufacturers set fast pace and established a new high mark; ties and rail also registered gains, but fuel continued to lag**

**H**IGH-VOLUME buying of materials, supplies, equipment and fuel by Class I railroads continued through April. In that month, railroad purchases totaled \$205,589,900, according to estimates prepared by *Railway Age*, based upon special reports received from a majority of the Class I carriers. Comprising this total were \$163,982,000 of materials, supplies and fuel and \$41,607,900 of orders placed for new equipment. Included in the \$41,607,900 equipment total were 41 Diesel-electric locomotives, costing \$6,450,000; 6 passenger-train cars figured at \$600,000; and 8,861 freight-train cars valued at \$34,557,900. During the first four months of this year, the railways placed orders for \$223,395,900 of new rolling stock, and purchases of materials, supplies and fuel amounted to \$633,048,000.

April purchases of materials, supplies and fuel surpassed by \$2,127,000 the new monthly high of \$161,855,000 established in March. Furthermore, April purchases exceeded by 44 per cent the \$114,019,000 expended during the comparable month one year earlier; surpassed the April, 1945, total by 26

per cent; topped the \$133,912,000 spent for the same purpose during the same month of 1944 by 22 per cent; were 42 per cent greater than similar purchases during April, 1943; topped the \$113,609,000 expended during the corresponding month of 1942 by 44 per cent; and surpassed the \$83,742,000 spent for materials, supplies and fuel during April, 1941, by 96 per cent.

## Four Months' Total a Record

Purchases of materials, supplies and fuel during the first four months of 1947 aggregated \$633,048,000—a new all-time high for this third of the calendar year. It is significant that purchases during the first four months of 1947 exceeded the \$603,110,000 expended for similar supplies during the first seven months of 1937 and compare favorably with \$658,234,000 spent for the same purpose during the first ten months of 1936. Furthermore, expenditures during the first four months of 1947 surpassed the \$482,193,000 spent for similar supplies during the corresponding four months of 1946 by 31

per cent; topped the \$506,923,000 expended during the similar 1945 period by 25 per cent; exceeded by \$98,437,000—18 per cent—the \$534,611,000 spent during the same months of 1944; surpassed the \$429,544,000 spent during the comparable months of 1943 by 47 per cent; and exceeded similar purchases during the corresponding period of 1942 by 43 per cent.

Class I railway fuel purchases during April aggregated \$51,477,000—12 per cent less than January's \$58,738,000, 6 per cent less than the February's \$54,913,000, and 11 per cent less than March's \$57,788,000. However, the April (1947) total surpassed the \$29,333,000 spent for this purpose in April, 1946, by 75 per cent; exceeded April, 1945, by 13 per cent; was about the same as the April, 1944, total; and topped April, 1943, by 6 per cent, April, 1942, by 46 per cent, and April, 1941, by 168 per cent.

Fuel purchases during the first four months of 1947 aggregated \$222,916,000. They were 21 per cent greater than similar 1946 purchases, 20 per cent greater than the \$185,314,000 expended during the comparable months of 1945; and surpassed the corresponding period of 1944 by almost 9 per cent, of 1943 by more than 24 per cent, of 1942 by 66 per cent, and of 1941 by 111 per cent.

Railway purchases of manufactured materials (including rails and cross-ties, but excluding equipment and fuel) during April amounted to \$112,505,000. This figure represents a gain of 11 per cent over the January total, 22 per cent over February, and 8 per cent over March. Moreover, the April, 1947, total surpassed the \$84,686,000 spent for similar supplies during the same month of 1946 by 33 per cent, and topped the same months of 1945, 1944, 1943, 1942 and 1941 by 34, 37, 67, 43.5 and 74 per cent, respectively.

During the first four months of 1947, the railways spent \$410,132,000 for manufactured materials of the same category, compared with \$298,322,000 during the same period last year. The total for the first four months of the current year also surpassed the \$321,609,000 spent for similar supplies during the comparable period of 1945 by more than 27 per cent; topped the \$329,297,000 expended during the same period of 1944 by almost 25 per cent; exceeded by 64



Improved material-handling techniques are playing an important part in handling the large volume of miscellaneous materials and supplies purchased by the railroads

per cent the \$250,453,000 spent during the first four months of 1943; surpassed similar expenditures during the comparable months of 1942 by 33 per cent; and was 77 per cent greater than the \$232,178,000 spent for similar manufactured materials during the corresponding months of 1941.

Expenditures for miscellaneous materials and supplies (excluding crossties, rail and fuel) required for the maintenance of equipment, structures and track (which, for the most part, comprise stores stock) amounted to \$96,828,000 during April—a gain of more than 11 per cent over the \$86,825,000 spent for similar supplies during January; topped February by 23 per cent; and were 8 per cent greater than the \$89,486,000 spent for the same purpose during March. The April, 1947, total also topped the April, 1946, total by 37 per cent; April, 1945, by 33 per cent; April, 1944, by 40 per cent; April, 1943, by 72 per cent; April, 1942, by 46 per cent; and April, 1941, by 75 per cent.

Purchases of miscellaneous materials and supplies during the first four months of 1947 established a new peak. The total of \$351,639,000 was 38 per cent greater than the \$255,283,000 spent for this purpose during the same period one year earlier; topped similar 1945 purchases—\$275,514,000—by 28 per cent; and surpassed the \$275,050,000 expended during the same four months of 1944 by 28 per cent. Moreover, purchases during the first four months of 1947 were 67 per cent, 30 per cent, and 77.5 per cent greater, respectively, than

### April Railway Purchases

April purchases of materials, supplies and fuel established a new monthly high mark compared with previous months. All categories registered substantial gains except rail and fuel. Miscellaneous materials and supplies gained 8 per cent—\$7,342,000—over similar purchases during March.

Equipment*	\$41,607,900
Rails	7,133,000
Crossties	8,544,000
All other material	96,828,000

Total from manufactures	\$154,112,900
Fuel	51,477,000

Grand total ..... \$205,589,900

\* Amount placed on order.

similar purchases during the comparable months of 1943, 1942 and 1941.

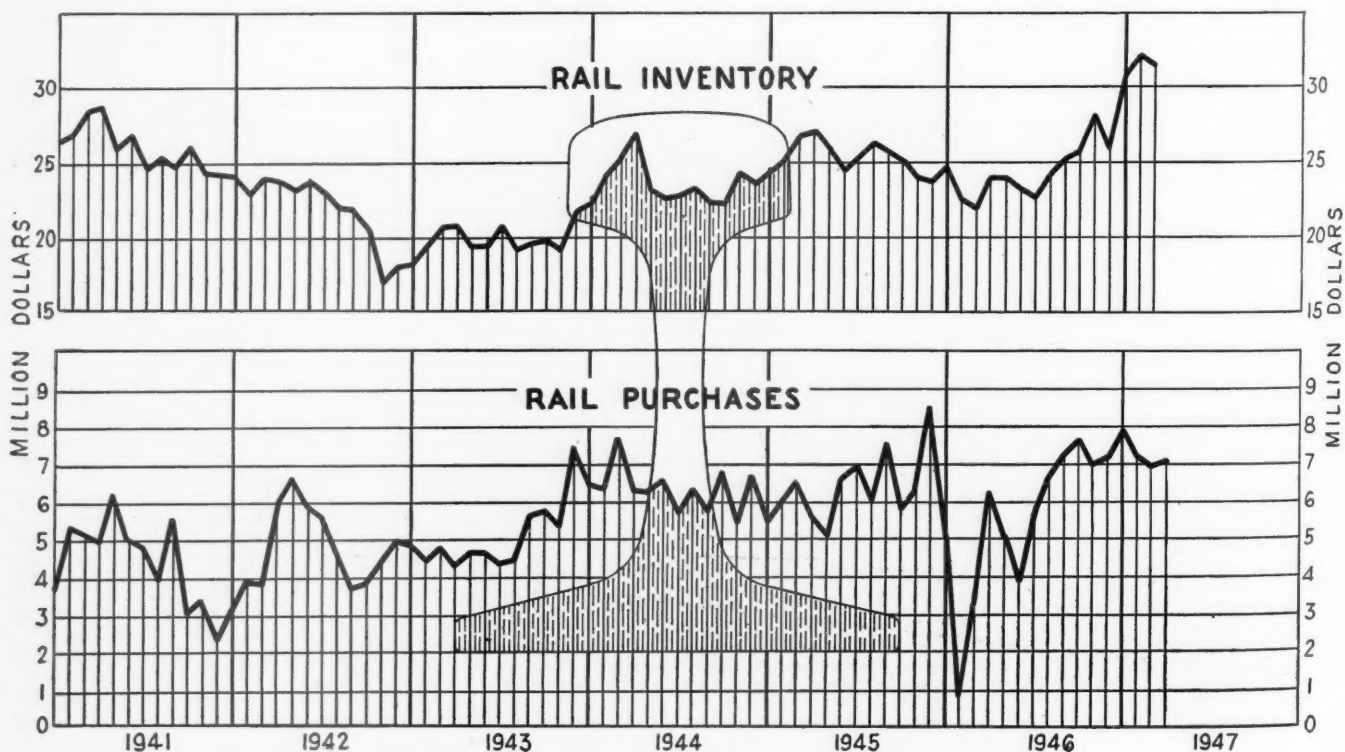
Purchases of rail during April aggregated \$7,133,000—a drop of almost 10 per cent below the \$7,879,000 expended for rail during January and 0.07 per cent less than February purchases. However, the April, 1947, total surpassed the \$6,207,000 spent during the same month last year by 15 per cent; topped the April, 1945, total—\$5,621,000—by 27 per cent; exceeded April, 1944, by more than 15 per cent; surpassed the \$4,181,000 expended during the corresponding month of 1943 by almost 71 per cent; topped April, 1942,

by 22 per cent; and was 47 per cent greater than April, 1941.

Rail purchases during the first four months of 1947 amounted to \$29,122,000, compared with \$15,388,000 during the same period of 1946. They also surpassed the \$23,848,000 expended during the same period of 1945 by 22 per cent; topped similar expenditures (\$26,562,000) during the comparable months of 1944 by 10 per cent; exceeded the \$18,050,000 spent for rail during the first four months of 1943 by 62 per cent; topped the 1942 total (\$16,477,000) by 77 per cent; and were almost 56 per cent greater than during the corresponding four months of 1941.

Crosstie purchases during April aggregated \$8,544,000—a gain of 22 per cent over the January total, 38 per cent over February, and 12 per cent over the March total. Moreover, April tie purchases exceeded April, 1946, by almost 11 per cent; topped April, 1945, by 51 per cent; and were 27 per cent, 29 per cent, 39 per cent and 98 per cent greater, respectively, than similar purchases during the corresponding months of 1944, 1943, 1942 and 1941.

The cumulative total of crosstie purchases for the first four months of 1947 amounted to \$29,371,000—5.5 per cent more than was expended during the same 1946 period and 31 per cent over the same months of 1945. Crosstie purchases during the first four months of 1947 surpassed those for the same period of 1944 by more than 5 per cent, 1943 by 35 per cent, 1942 by 33 per cent, and 1941 by 91 per cent.



Although April rail purchases top those of any other comparable month since 1934, they nevertheless fell below both January and February totals



# GENERAL NEWS

## 5 Months' Net Income Totaled \$167,000,000

Net railway operating income for the same period was \$308,234,437

Class I railroads in the first five months of this year had an estimated net income, after interest and rentals, of \$167,000,000, as compared with a deficit of \$37,000,000 in the corresponding period of 1946, according to the Bureau of Railway Economics of the Association of American Railroads. The five-months' net railway operating income, before interest and rentals, was \$308,234,437, as compared with \$116,937,635 last year.

Estimated results for May showed a net income of \$46,600,000, compared with a deficit of \$36,300,000 in May, 1946, while the net railway operating income for the 1947 month was \$75,728,895, compared with a deficit of \$4,553,088 in May, 1946. In the 12 months ended with May, the rate of return averaged 3.6 per cent, compared with 2.29 per cent for the 12 months ended with May, 1946. The A.A.R. statement recalled that railroad traffic and earnings in May, 1946, were "considerably reduced" because of the 2½-day railroad strike and "other labor difficulties . . . particularly in the coal mining industry."

**Gross Up Too**—Gross in the five months totaled \$3,452,989,710, compared with \$2,965,598,484 in the same period of 1946, an increase of 16.4 per cent. Operating expenses amounted to \$2,698,178,627, compared with \$2,568,041,993, an increase of 5.1 per cent.

Thirty-three Class I roads failed to earn interest and rentals in the five months, of which 16 were in the Eastern district, seven in the Southern region and 10 in the Western district.

Class I roads in the Eastern district in the five months had an estimated net income of \$54,000,000, compared with a deficit of \$54,000,000 in the same period of 1946. For May, their estimated net income was

\$22,000,000, compared with a deficit of \$26,000,000 in May, 1946.

These roads in the five months had a net railway operating income of \$121,126,166, compared with \$11,146,311 in the same period of 1946. Their net railway operating income in May amounted to \$35,946,850, compared with a deficit of \$12,145,375 in May, 1946.

Gross in the Eastern district in five months totaled \$1,591,826,142, an increase of 23.3 per cent, compared with the same period of 1946, while operating expenses totaled \$1,276,064,511, an increase of 9.3 per cent.

Class I roads in the Southern region in the five months had an estimated net income of \$30,000,000, compared with a net income of \$1,250,000 in the same period of 1946. For May, they had an estimated net income of \$4,800,000, compared with a deficit of \$5,600,000 in May, 1946.

Those same roads in the five months had a net railway operating income of \$48,476,784, compared with \$27,950,707 in the same period of 1946. Their net railway operating income in May amounted to \$9,373,995, compared with \$183,793 in May, 1946.

**In the South**—Gross in the Southern region in the five months totaled \$491,630,479, an increase of 12.1 per cent, compared with the same period in 1946, while operating expenses totaled \$381,537,154, an increase of 4.3 per cent.

Class I roads in the Western district in the five months had an estimated net income of \$83,000,000, compared with \$15,750,000 in the same period of 1946. For May, they had an estimated net income of \$19,800,000, compared with a deficit of \$4,700,000 in May, 1946.

Those same roads in the five months had a net railway operating income of \$138,631,487, compared with \$77,840,617 in the same period of 1946. Their net railway operating income in May amounted to \$30,408,050, compared with \$7,408,494 in May, 1946.

Gross in the Western district in the five months totaled \$1,369,533,089, an increase of 10.8 per cent, compared with the same period of 1946, while operating expenses totaled \$1,040,576,962, an increase of 0.5 per cent.

## I.C.C. Gets Railroad Freight-Rate Plea

\$1,091,000,000 annual yield expected from proposed hike averaging 16 per cent

The railroad petition for authority to make general increases in freight rates was filed with the Interstate Commerce Commission on July 3. The net effect of the proposal would be to raise rates in the country as a whole an average of 16 per cent, and the petition estimated that the yield in additional annual revenue would be \$1,091,000,000 on the basis of 1947 estimated traffic.

As noted in the *Railway Age* of July 5, page 55, the carriers are seeking general increases of 25 per cent within Official territory and interterritorially between that territory and other territories, and 15 per cent within Southern and Western territories and interterritorially between those territories. However, those general increases would be subject to various exceptions where specific increases per 100 lb. or per ton would be applied, or the percentage increases would be limited by specified maximum increases.

**Based on Present Costs**—The proposed increases, according to the railroad petition, are necessary to "bridge the gap" between present revenues and increased costs which already are in effect, and have no relation to any increases which might come about in railroad wage or fuel costs, as a result of pending wage discussions, or in the prices of materials. "If present operating expenses should increase subsequent to the filing of this petition," the petition said, "it will be necessary to bring the changed situation to the attention of the commission by a supplemental petition."

Increases in wages, payroll taxes and the prices of materials and supplies which already have taken place since 1939 are shown in the petition to have amounted to at least \$2,300,000,000 a year. To offset this there is shown the estimated yield of \$1,200,000,000 a year from the Ex Parte 162 freight-rate increases, effective last January 1; and increases and adjustments in passenger fares estimated to yield \$137,000,000 on an annual basis. The remaining gap of approximately \$1,000,000,000 "must be bridged if sound economic conditions in transportation are to be restored," the petition said.

"The railroads," it continued, "are making every effort to effect economies, but there is no prospect that enough can be accomplished within the reasonably near future to offset any appreciable portion of these extraordinary increases in operating expenses."

### CLASS I RAILROADS—UNITED STATES

Month of May			
	1947		1946
Total operating revenues	\$ 724,432,209		\$ 532,619,164
Total operating expenses	557,318,292		492,359,921
Operating ratio—per cent	76.93		92.44
Taxes	77,345,314		32,635,801
Net railway operating income (Earnings before charges)	75,728,895	Def.	4,553,088
Net income, after charges (estimated)	46,600,000	Def.	36,300,000
Five Months Ended May 31, 1947			
Total operating revenues	\$3,452,989,710		\$2,965,598,484
Total operating expenses	2,698,178,627		2,568,041,993
Operating ratio—per cent	78.14		86.59
Taxes	378,904,582		221,763,531
Net railway operating income (Earnings before charges)	308,234,437		116,937,635
Net income, after charges (estimated)	167,000,000	Def.	37,000,000

On the basis of 1947 levels of traffic, costs, rates and fares, the petition estimated that the railroads will have this year a net railway operating income of about \$800,000,000, representing a return on net property investment of about 3½ per cent. The latter would be a composite of figures ranging from 2.69 per cent in the Eastern district to 9.21 per cent in the Pocahontas region.

Of the estimated yield of \$1,091,000,000 from the proposed increases, the petition assigned \$494,000,000 to the Eastern district, \$38,000,000 to the Pocahontas region, \$137,000,000 to the Southern region, and \$422,000,000 to the Western district.

**Must Spend More**—"The net railway operating income which would be earned by these petitioners, should their proposal be approved, would be no more than necessary to enable them to provide the adequate and efficient transportation service contemplated by law," the petition continued. "The estimated earnings in 1947, based on present expenses, rates, fares and charges, are inadequate to accomplish that objective. At this time adequate railway earnings are of vital importance."

"There is an extraordinary need for expenditures to rehabilitate and modernize equipment and facilities so that petitioners can operate more efficiently, improve their service to the public, and meet the competition of other forms of transportation. The public, of course, is entitled to the most economical and efficient service possible and one of the best ways to bring this about is by substantial expenditures for carrier improvements. Such improvements are vitally necessary to the national defense. The unit costs of these improvements is substantially in excess of the unit costs in pre-war years."

There is no prayer in the petition, as there was in Ex Parte 162, for interim relief in advance of hearing; but the carriers do request "prompt" hearing and favorable commission action carrying authority to publish short-form tariffs making

the proposed increases effective on one day's notice. Also sought are any required modifications of outstanding commission orders and any necessary fourth-section relief.

### Railroads "Enlist" in Army's New Organized Reserve Corps

The railroads on July 2 became the first transportation agency to "enlist" in the Army's new Organized Reserve Corps. William T. Faricy, president of the Association of American Railroads, and Brigadier General Paul F. Yount, acting chief of transportation, on that day signed the affiliation agreement.

The agreement commits the A.A.R. to the sponsoring of three Military Railway Service headquarters and headquarters companies. Also it contemplates that individual roads will sponsor seven M.R.S. grand divisions, 31 railway operating battalions, and 9 shop battalions. The pledge of the railroads is part of the War Department's program to form some 2,500 specialized industry- and civilian-sponsored units of the Organized Reserve Corps for the purpose of having trained manpower available in the event of another national emergency.

The three headquarters units to be sponsored by the A.A.R. correspond to the general offices of a railroad. Each unit will consist of 38 officers and 161 enlisted men. James H. Aydelott, A.A.R. vice-president in charge of the Operations and Maintenance Department, has been designated to represent the association in organizing the officer personnel of the units. One of the units will maintain headquarters at New York, another at Chicago, and the third at a location yet to be selected.

Following the signing of the agreement, General Yount announced that individual roads will be asked immediately by the War Department to sponsor operating and shop battalions as they did before World War II. He pointed out that, during that war,

there were more than 40,000 skilled railroad men in the M.R.S., operating railroads on all the fighting fronts.

### Katy Begins Teletype Service

The Missouri-Kansas-Texas has inaugurated teletype service between its general offices at St. Louis, Mo., northern terminus of the line, and traffic offices in New York and Chicago. It indicates that it will install teletype machines at other heavy-traffic points in the near future to expedite services, including reservations.

### Floods Continue to Hamper Service at St. Louis

Continued high water in the St. Louis (Mo.) area have caused numerous curtailments of regular freight and passenger service. The Kansas City line of the Gulf, Mobile & Ohio remains out of service at Glasgow, Mo., to which point local service only is being operated. Through freight service is being rerouted over the Wabash and through passenger service has been annulled.

Trains of the St. Louis Southwestern continued to reroute over other lines between East St. Louis, Ill., and Thebes (as reported in *Railway Age* of July 5, page 57), incurring delays of 8 to 10 hr. on freight trains and 3 to 4 hr. on passenger trains. No trains have been annulled, and a return to normal operations is expected by July 13.

The line of the St. Louis-San Francisco remains out of service between St. Louis and Cape Girardeau, Mo., passenger trains being annulled and freight service rerouted via Springfield. Local service is being operated between Memphis, Tenn., and Cape Girardeau, while "head end" traffic between the latter point and St. Louis is being handled over the highway by the Frisco Transportation Company. Work trains are expected to get into the flooded area by the weekend of July 12-13.

Missouri-Kansas-Texas tracks south of St. Charles, Mo., were restored to service July 8, and passenger trains No. 5 and 6 were reinstated the same day, using Wabash tracks between St. Louis and St. Charles. Freight service was also restored, using the same detour. Complete restoration of Katy trackage was anticipated for July 11.

The Illinois Central reported all service normal except in its Murphysboro district where washouts and high water closed the freight branch between Sand Ridge, Ill., and Gale. In the same area the Missouri Pacific embargoed stations Warnock, Ill., to Murphysboro and Cache, inclusive.

### Luther Walter, Shippers' Counsel, Dies

Luther M. Walter, formerly trustee of the Chicago Great Western, widely known shippers' counsel, and recently appointed director of the Toledo, Peoria & Western, died at Evanston, Ill., on June 30. Born at Blaine, Ky., on March 2, 1877, Mr. Walter received his higher education at the National Normal University, Lebanon, Ohio, (B.E., 1896) and was graduated in law by Columbian University (now George Washington University). From 1893 to 1899 he



James H. Aydelott, A.A.R. vice-president (left) and Brig. Gen. Paul F. Yount, acting chief of transportation, U. S. Army, look on as President William T. Faricy of the A.A.R. signs the agreement committing the association to the sponsorship of units in the new Organized Reserve Corps.



was a school teacher; in 1898 he was admitted to the bar in Kentucky; from 1900 to 1902 he served as a clerk in the U. S. Census office; and in 1902 he became a member of the U. S. Board of Pension Appeals. In 1903 he entered the employ of the Interstate Commerce Commission, and served as law clerk, examiner, and attorney until 1910, when he became a member of the law firm of Walter, Burchmore and Belnap, and its predecessors. During 1918 Mr. Walter served as assistant director of public service and accounting of the U. S. Railroad Administration, and in 1935 he was appointed trustee of the Chicago Great Western, in which capacity he continued until that road was returned to private operation in 1941.

## Chicago Roads Report Heavy July 4 Holiday Travel

A general survey of passenger business in and out of the Chicago area for the three-day holiday period embracing Independence Day indicated that traffic was generally better than a year ago. While nearly all roads reported instances of short-haul standees, equipment was generally adequate to meet the heavy demands. This is what the individual lines report:

**Baltimore & Ohio.** Coach travel out of Chicago 12 to 15 per cent greater than a year ago, setting an all-time high. Twenty-two extra coaches were operated out of Chicago during the three day weekend.

**Chesapeake & Ohio.** Fourth of July traffic outbound from Chicago on the Pere Marquette district showed a 19 per cent increase over the same period a year ago. Train No. 8 operated to Grand Rapids, Mich., in 2 sections July 3, and No. 18, the recently-established "Muskegon-White Lake Week-End," carried a capacity load. Nos. 2 and 5 operated in two sections July 6.

**Chicago & Eastern Illinois.** Travel was very heavy, far exceeding any similar period traffic in recent years. The streamliners, the "Whippoorwill" and "Meadowlark," operated in two sections southbound on July 3 and northbound on July 6.

**Chicago & North Western.** Four trains out of Chicago operated in two sections and the "Peninsula 400" operated in three sections on July 3. These trains were operated in sections in the reverse direction on July 6. On Independence Day, 23 extra trains were operated from Chicago to the Arlington Park (Ill.) race track and 15 extras were operated on July 5.

**Chicago, Burlington & Quincy.** Traffic closely paralleled that of May 30, but far exceeded that of July 4 a year ago. Separate sections of trains No. 5 and 55 were operated from Chicago to Galesburg, Ill., on July 3, and additional coaches were operated on most trains over the weekend. Four extra coaches and an extra diner were required on the "Denver Zephyr" on July 3.

**Chicago, Indianapolis & Louisville.** Traffic exceeded any Fourth of July on record.

**Chicago, Milwaukee, St. Paul & Pacific.** Fifty suburban coaches, not required for their regular runs over the holiday weekend, were pressed into service between Chicago and resort areas to the North. Six extra sections of regular trains were operated.

**Chicago, Rock Island & Pacific.** Travel was very heavy, with extra cars on most trains.

**Chicago South Shore & South Bend.** On July 4 a record of 24,080 passengers were handled, with all owned passenger equipment and 36 cars rented from a connection being pressed into service.

**Erie.** All trains carried extra equipment and were loaded to capacity. July 4 traffic was somewhat greater than a year ago.

**Grand Trunk Western.** Record travel required operation of extra coach and Pullman equipment on all regular trains.

**Gulf, Mobile & Ohio.** Holiday traffic on the Alton route was 10 per cent greater than that over the Memorial Day Weekend. Two sections of No. 3 were operated from Chicago July 3, when a total of 2,677 passengers departed on G. M. & O. trains. Two sections of No. 19 operated July 4, and trains No. 2 and 18 operated with green flags on July 6.

**Illinois Central.** This road reported the "highest peacetime Fourth in many years," all trains being filled out with extra equipment and loaded to capacity. The "City of New Orleans" operated in 2 sections from Memphis, Tenn., to Chicago, on July 6.

**Minneapolis, St. Paul & Sault Ste. Marie.** Reporting the heaviest Independence Day travel out of Chicago since 1940, the Soo Line stated that it was necessary to operate train No. 17 July 3 and No. 18 July 6 in separate coach and Pullman sections, while all other trains carried extra coaches.

**New York Central.** Fifty-one extra coaches were operated outbound from Chicago to take care of the holiday travel. The "Pacemaker" operated in two sections July 3. It was reported that the recent delivery of 300 new coaches helped the equipment situation markedly.

**New York, Chicago & St. Louis.** Nickel Plate passenger travel was exceptionally heavy, one extra section being operated and extra equipment filling out all regular trains.

**Pennsylvania.** Traffic was slightly heavier than a year ago. Trains which operated in sections included the "Union" and the "Trailblazer" outbound July 3, the "Trailblazer" and "Liberty Limited" inbound July 4, the "Liberty," "Gotham," and "Southland" outbound July 5, and the "General" inbound July 6.

**Wabash.** Travel was reported heavy, with extra equipment being operated on all regular trains.

## N. Y. C. Tugs Being Equipped with Two-Way Radio

The New York Central has announced it is installing two-way FM radio communication between its New York harbor fleet of 24 tugboats and the tug dispatcher's office at Weehawken, N. J. Eleven of the tugs already have been equipped and installation will be completed during July, the announcement said. The equipment for the project was purchased from the General Railway Signal Company.

## 66,000 Visit I. C. 4-H Club Train on Month's Tour

Approximately 66,000 persons viewed various exhibits on a "4-H Club train," prepared and financed by the Illinois Central and operated for a month's tour of 80 farm communities recently in Mississippi and Louisiana. The tour was the I. C.'s latest contribution to 4-H Club work along its lines and a continuation of assistance to

farm boys and girls which it first began in 1923. Since that date, the road, through the awarding of prizes, has enabled some 1,500 4-H Club members to attend the annual "4-H Club Congress" and the International Livestock Show in Chicago.

The program and arrangements for the tour were prepared under the direction of P. R. Farlow, general agricultural agent of the I. C., in cooperation with the local 4-H Clubs, the National 4-H Club committee, the extension services of Mississippi State and Louisiana State Universities and the U. S. Department of Agriculture. The train, the exhibit cars of which were prepared at the I. C.'s Chicago shops, was a "rolling school," illustrating the most advanced methods in farming and farm home-making. Acting as hosts and hostesses on the trip were 4-H Club leaders who have made noteworthy achievements in various branches of farm and home work.

The tour—originally scheduled for the spring of 1942, but postponed because of the war—was proposed by Thomas E. Wilson, a director of the I. C., chairman of the National 4-H Club and chairman of the board of directors of Wilson & Co. Its preparation and operation cost an estimated \$25,000. The equipment therefor consisted of a baggage car for stock feed and equipment; a baggage car for 4-H livestock exhibits; two coaches, with seats removed, for exhibits; a coach converted into a small motion picture theatre and a sleeping and a dining car for personnel accompanying the tour.

## Fred S. Keiser Dies

Fred S. Keiser, associate director (ore and grain section) of the Railway Transportation Department of the Office of Defense Transportation, with headquarters at Chicago, died recently at Oak Park, Ill. Mr. Keiser was born at Union City, Tenn., on July 19, 1889, and entered railroad service in 1905 with the Illinois Central, engaging in freight rate work until 1915, when he went with the Western Trunk Line Committee on similar work. From 1919 to 1942 Mr. Keiser was traffic commissioner for



Exhibit car of the Illinois Central's "4-H Club train"

the Duluth (Minn.) Chamber of Commerce and traffic manager for the Duluth Board of Trade. He was president of the Port Authority of Duluth from 1935 to 1942 and chairman of the Inland Waterways Committee of the National Industrial Traffic League from 1922 to 1942. Mr. Keiser became associate director—ore and grain of the Office of Defense Transportation in 1942. He was also general grain agent of the Interstate Commerce Commission from 1943 to 1945.

## Freight Car Loadings

Loadings of revenue freight for the week ended July 5 totaled 629,204 cars, the Association of American Railroads announced on July 10. This was a decrease of 216,937 cars, or 25.6 per cent, below the previous week, a decrease of 50,571 cars, or 7.4 per cent, below the corresponding week last year, and a decrease of 97,459 cars, or 13.4 per cent, below the comparable 1945 week.

Loadings of revenue freight for the week ended June 28 totaled 846,141 cars, and the summary for that week as compiled by the Car Service Division, A. A. R., follows:

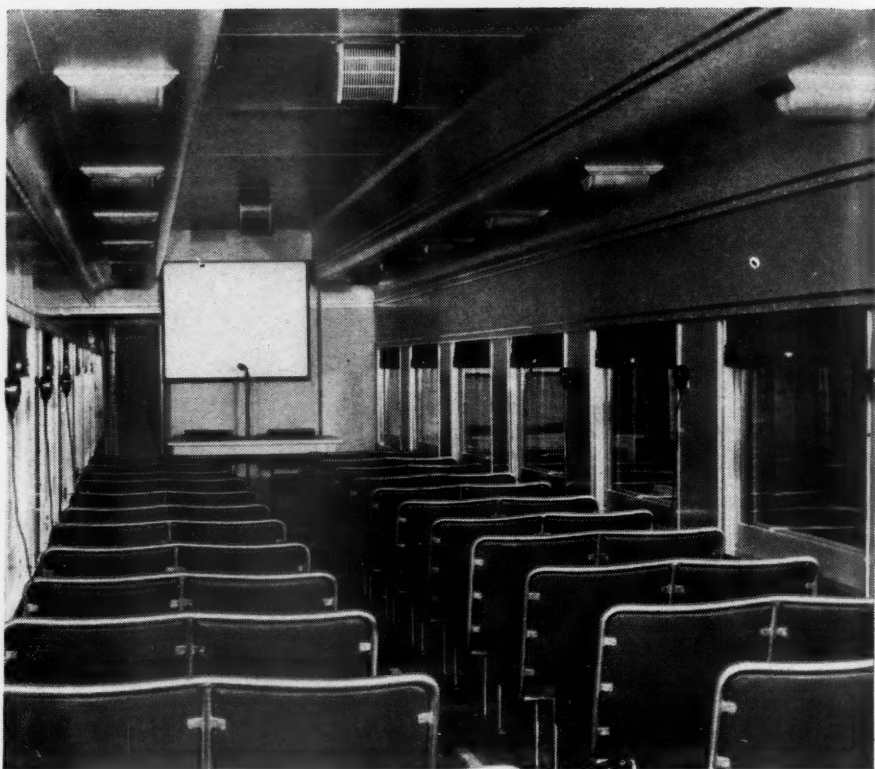
Revenue Freight Car Loading			
For the Week Ended Saturday, June 28			
District	1947	1946	1945
Eastern .....	158,069	164,613	157,815
Allegheny .....	185,023	186,096	196,788
Pocahontas .....	46,299	72,293	58,855
Southern .....	123,555	135,724	123,833
Northwestern .....	135,913	116,124	136,919
Central Western .....	131,186	134,203	141,477
Southwestern .....	66,096	70,491	78,260
<b>Total Western Districts .....</b>	<b>333,195</b>	<b>320,818</b>	<b>356,656</b>
<b>Total All Roads .....</b>	<b>846,141</b>	<b>879,544</b>	<b>893,947</b>
Commodities			
Grain and Grain products .....	55,258	48,382	62,385
Livestock .....	11,444	12,610	13,308
Coal .....	129,446	184,687	174,536
Coke .....	12,416	12,732	14,668
Forest products .....	46,644	48,936	47,235
Ore .....	82,328	58,510	76,234
Merchandise l.c.l. .....	116,206	129,555	108,149
Miscellaneous .....	392,399	384,132	397,432
<b>June 28 .....</b>	<b>846,141</b>	<b>879,544</b>	<b>893,947</b>
<b>June 21 .....</b>	<b>901,296</b>	<b>858,423</b>	<b>876,703</b>
<b>June 14 .....</b>	<b>895,292</b>	<b>867,918</b>	<b>873,322</b>
<b>June 7 .....</b>	<b>900,747</b>	<b>830,128</b>	<b>884,658</b>
<b>May 31 .....</b>	<b>830,383</b>	<b>626,885</b>	<b>837,886</b>
<b>Cumulative total, 26 weeks .....</b>	<b>21,670,560</b>	<b>19,015,862</b>	<b>21,278,546</b>

**In Canada.**—Car loadings for the week ended June 28 totaled 79,066 cars, as compared to 81,428 cars for the previous week and 70,060 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
<b>Totals for Canada:</b>		
June 28, 1947 .....	79,066	38,333
June 29, 1946 .....	70,060	35,432
<b>Cumulative totals for Canada:</b>		
June 28, 1947 .....	1,871,698	966,430
June 29, 1946 .....	1,732,495	882,635

## Diesel Locomotive Costs—A Correction

S. B. Paul of the American Locomotive Company was one of the coauthors of the paper entitled "Many Features Incorporated to Reduce Diesel Costs" submitted in the



## Modern Instruction Car of the Union Pacific

A 54-seat, air-conditioned railroad instruction car, modern in every respect, has been completed by the Union Pacific at a cost of \$100,000. The car, designed as a movable classroom for railroaders and the public, features ceiling loudspeakers and hand microphones along its side walls for audience participation in discussions. It is equipped with a motion picture projector and screen. A propane engine furnishes power for lights, air conditioning and a hot water heating system, making the car a self-contained unit.

\* \* \*

A.S.M.E. symposium on Diesel locomotives held at Chicago on June 17 and published on page 1310 of the June 28 *Railway Age*. Mr. Paul's name was inadvertently omitted from that article. J. W. Teker, Transportation Motor Engineering Division, and M. D. Henshaw, Transportation Control Engineering Division, General Electric Company, and John Seagren, American Locomotive Company, are the other authors.

## C. P. R. Head Cites Need for Higher Rates

Canadian railways cannot be expected to continue to provide the Canadian people with the quality of service they expect, and to which they are entitled, on revenues based on economic conditions prevalent in 1922, W. M. Neal, chairman and president of the Canadian Pacific, said on June 23 in St. John, N. B., at the conclusion of an inspection tour of the road's properties and services in New Brunswick and Nova Scotia.

"The position of the railways is distinctly comparable to that of any other industry providing and selling goods and services," Mr. Neal added. "Increased maintenance and operation costs can only be met by increased revenues and the Canadian Pacific, faced with drastic advances in material and labor costs, can only secure the money to maintain and improve its services in keeping with the

importance and growth of the nation through increases in its charges to the producers in other industries using its services."

## May Truck Traffic

Motor carriers reporting to the American Trucking Association transported in May 2,357,328 tons of freight, a decrease of 1.3 per cent under the 2,388,494 tons transported in April, but an increase of 2.4 per cent over the 2,301,265 tons hauled in May, 1946. The A.T.A. index figure, based on the 1938-40 average, was 193 for May, as compared with 203 for the previous month.

The May figures, according to the A.T.A., are based on comparable reports from 269 carriers in 42 states. Carriers in the Eastern district reported a tonnage decrease of 3.1 per cent below April, but an increase of 3.2 per cent over May, 1946; carriers in the Southern region reported an increase of 8.7 per cent over April, but a decrease of 9.3 per cent under May, 1946; and carriers in the Western district reported increases of 0.1 per cent and 3.8 per cent, respectively.

News of organizations, additional general news, and a list of current publications appear on pages 114-118.



# With the Government Agencies

## A.A.R. for Rejection of Punitive Per Diem

Contentends proposal of commission examiners would "demoralize" car supply

Respondent railroads in the investigation instituted by the Interstate Commerce Commission to determine whether a \$2 per diem rental charge for freight cars, other than tank and refrigerator cars, would promote greater efficiency in the use of equipment during periods of car shortage contended in oral argument before the commission should find that because a serious in any form would have a demoralizing rather than beneficial effect upon the car supply.

As reported in *Railway Age* of June 21, page 1275, Examiners Witters and Smith, making a proposed report in the proceeding, recommended in part that the commission should find that because a serious box car shortage is imminent, a per diem charge of \$5 should be collected for a temporary period on box cars of foreign ownership held by one railroad in excess of five days as a result of "delinquent handling" in any terminal or switching district. The \$5 charge would apply to (1) cars held for placement for unloading, unless notice of constructive placement has been sent or given in accordance with the uniform demurrage rules; (2) cars awaiting removal from sidings after having been unloaded; (3) cars awaiting movement after loading is completed, except cars loaded with grain held for federal or state inspection; (4) cars awaiting interchange after tender by connecting lines; (5) cars held for prospective loading, except cars held or stored for the loading of grain; and (6) cars loaded with company material.

**Question of Authority**—T. L. Preston, assistant general counsel of the Association of American Railroads, argued that the proceeding should be dismissed on the basis that the commission is without authority under the Interstate Commerce Act to prescribe penalty per diem, whether through blanket adjustment of the rate or through "any such attempt at selective and limited penalty as that advanced in the proposed report." He said that the record showed no justification for the prescription of any penalty system.

"It scarcely requires argument to support the proposition that the current performance of the railroads in meeting the requirements of commerce, despite the difficulties inherent in the car shortage, is characterized by outstanding efficiency," Mr. Preston said. "No basis whatever is

to be found in this overall performance for resort to a system of penalties. The examiners fully recognize this."

With respect to reports compiled by the commission's Bureau of Service which attributed shortages in car supply to alleged delinquent handling of cars by the railroads, Mr. Preston said that the reports afford "no probative basis for a finding of any substantial occasion for the imposition of a penalty per diem." He added that the bureau's agents were "governed by the mere matter of record delay and made no investigation to ascertain causes."

According to Mr. Preston, a blanket penalty per diem would penalize without distinction between efficient and inefficient operation; would heavily handicap, and in many instances bankrupt, terminating railroads; and would heavily penalize movements of empty cars back to originating territory direct by railroads enjoying little or no revenue movement of the loaded cars. The latter situation, he said, would magnify the burden of a large contribution already being made in such cases to the most expeditious and effective distribution of the inadequate car supply.

**Costly Bookkeeping**—"From any practical point of view, a scheme for limited and selective per diem penalties must be shown to be free from ambiguity, capable of ready administration and enforcement and calculated to produce some real contribution to efficiency in utilization of the car supply," Mr. Preston continued. "In no one of these aspects does the proposal advanced by the examiners vindicate itself."

Mr. Preston said that, under the terms of the proposed report, "hundreds of thousands of dollars" would have to be expended yearly by the railroads to "keep track" of individual cars. "The time and energy of thousands of employees would necessarily be directed to investigation and the resolution of controversy, all unaccompanied by any perceptible benefit to the car supply," he added. "In practice the scheme would, in the last analysis, be dependent upon the vigilance of the yardmaster in exposing himself as an ineffectual officer of the railroad."

The A. A. R. counsel said that the organizations and personnel which "produced the magnificent wartime performance of the railroads" now "deserve the confidence of the commission and of the public" in the matter of operation. "They have not suddenly turned incompetent," he said. "To impose a system of penalty upon them cannot fail to undermine confidence, produce confusion, harassment and controversy, and contribute to demoralization rather than benefit to the strenuous efforts being made by management to meet the requirements of the current car situation."

(Continued on page 91)

## I.C.C. Orders New Class-Rate Set-Up

Requires No. 28300 adjustment and provides for tie-in with Ex Parte 162

Following through from the Supreme Court's May 12 decision upholding its interim order in the No. 28300 class-rate case, the Interstate Commerce Commission has issued in that proceeding a supplemental report requiring the railroads to apply the interim adjustment to class rates in effect before the Ex Parte 162 increases, without prejudice to the filing of tariffs increasing the class rates as thus adjusted by 22½ per cent in lieu of the Ex Parte 162 increases. In the latter connection the railroads had suggested an "in lieu" increase of 25 per cent. The results of the commission's determination, if the permissive Ex Parte 162 phase becomes fully effective, will be to increase present class rates in Official territory approximately 9 per cent while decreasing class rates in Southern, Western Trunk Line and Southwestern territories about 10 per cent.

The No. 28300 order, issued before the Ex Parte 162 proceeding arose but stayed by injunction pending the Supreme Court's action, requires a general increase of 10 per cent in class rates applicable within Official territory and a general decrease of 10 per cent in class rates applicable within and between Southern, Western Trunk Line and Southwestern territories, and between those territories on the one hand and Official Territory on the other, subject to prescribed distance rates as minima. The railroad tariffs proposing to publish this adjustment with a January 1, 1946, effective date were those enjoined pending the Supreme Court's determination; and, meanwhile, the Ex Parte 162 decision resulted in class-rate increases, effective last January 1, of 25 per cent within Official territory, 22½ per cent between that territory and other territories, and 20 per cent within and between other territories.

**The Net Result**—Thus, in effecting the No. 28300 adjustment now required and super-imposing on it the authorized substitute for the Ex Parte 162 increases, railroads in Official territory will come out with a net increase of about 9 per cent in present class rates, i.e., the pre-Ex Parte 162 basis will be up about 34 per cent as compared with the present 25 per cent. In Southern, Western Trunk Line and Southwestern territories, on the other hand, the pre-Ex Parte 162 basis will be up only about 10 per cent as compared with the present 20 per cent. Meanwhile present

class rates will be up 2½ per cent in Mountain-Pacific territory where the No. 28300 order does not apply.

The commission's supplemental report reviews briefly the litigation which the No. 28300 case went through after the interim order was issued on May 15, 1945. That decision of the commission was reported in *Railway Age* of May 26, 1945, page 937; it embraced the No. 28310 investigation of the Consolidated Classification as well as the class-rate proceeding. The interim adjustment is a preliminary step which the railroads are required to take while they proceed to comply with the decision's permanent plan calling for the establishment of a uniform classification to apply throughout the country and a completely revised scale of class rates to apply (like the interim adjustment) in all territories except Mountain-Pacific. The litigation ended with the Supreme Court's decision of May 12 which was reported in *Railway Age* of May 24, page 1077.

When the interim adjustment was enjoined in December, 1945, the commission issued Special Permission Orders Nos. 27460 and 27461, permitting the filing of supplements postponing "until the further order of the commission" the tariffs which had been filed to make the required rates effective January 1, 1946. The present report vacates those special-permission orders, and modifies the Ex Parte 162 decision to permit the adjustment now authorized in lieu of those increases. In railroad traffic circles this week the report was being interpreted as requiring that tariffs publishing the new adjustments be filed July 23, with effective dates of August 22 or 23. The report was dated July 7 and the vacating orders will be effective 15 days after they are served.

**Basis of Decision**—In thus disposing of the issues before it, the commission quoted from its Ex Parte 162 report language which made it "clear" that "it was the intent in the petition in Ex Parte No. 162 that whatever increase we authorized should be imposed upon the rates of the petitioners, as if the suspended rates here involved were in effect, in the event the pending court review proceedings should result in sustaining our interim order." This interpretation "followed a formal statement to the same effect by the chief counsel for the railroads, during the hearing of Ex Parte No. 162 . . . which has not been changed either in that proceeding . . . or in the proceeding now under consideration, while pending in the courts," the report added.

"In carrying out for the future the continuing authority for increases in Ex Parte No. 162," it continued, "the petitioners in that proceeding, having accepted without question the commission's interpretation of their petition and the relief sought to be justified by them, as far as these class rates then under suspension are concerned, must accept that interpretation as a qualification when the event occurs that they contemplated might be possible, namely, that the commission's order fixing interim rates might eventually be sustained by the courts and become effective.

"The rates that have been sustained are below those approved on any of the three

bases of percentage increase, 20, 22½ or 25 per cent. From informal telegrams sent us by the respondents in Southern, Official, and Western territories, it is clear that they recognize the obligation that the increases allowed in Ex Parte No. 162 should be applied to the interim class rates approved by us in this proceeding, instead of those in effect when they took advantage of our authorization in Ex Parte No. 162. They urge that the increases be 25 per cent, as originally applied for by them in Ex Parte No. 162. . . .

**Uniform Increase Set**—"Our findings herein contemplate that the carriers promptly will effect the relation of rates in the different territories as required by our interim order in No. 28300. It does not follow necessarily that the increases authorized in Ex Parte No. 162 should be added to the rates resulting from that adjustment. The increases and reductions ordered in No. 28300 were designed to bring about a closer uniformity in the level of class rates in the respective rate territories. When the level and relation of rates prescribed in No. 28300 are made effective, we are of the view that a uniform percentage increase under Ex Parte No. 162 should be applied. We find that the class rates prescribed in No. 28300 may be increased by 22.5 per cent, in lieu of the percentage increases previously authorized in Ex Parte No. 162."

Meanwhile, the commission had noted that the state of New York and governors of the New England states, who were among those appealing the No. 28300 order to the courts, had urged that no order with respect to the interim adjustment be entered without further hearing, or before the conclusion of certain other pending proceedings, such as the commission's investigations of pick-up and delivery services and charges on small shipments, and the application of Official-territory roads for authority to adjust their l.c.l. and any-quantity rates. While remaining unmoved by such urging, the commission reminded those parties that No. 28300 remained upon its docket, "and may be reopened for just cause shown upon proper application made in the manner provided in our General Rules of Practice."

Commissioner Splawn filed a brief concurring-in-part opinion. He agreed with the vacation of the special-permission orders in No. 28300, but he was not convinced that the majority was justified in undertaking to modify or change the commission's findings in Ex Parte 162. The report also noted that Commissioner Mitchell, "not having been a member of the commission when the proceedings were decided," and Commissioner Barnard, "necessarily absent," did not participate in the present determination.

### Water-Competitive Rate Cases Set for Further Hearing

The Interstate Commerce Commission has set July 31 as the date for the opening of further hearing at Portland, Ore., on that phase of the rail-water competitive situation which relates to transcontinental rail rates, intercoastal water rates, and all-water, water-rail, and rail-water rates be-

tween Pacific coast ports and interior points. As noted in *Railway Age* of July 5, page 59, the commission recently issued an interim report in those proceedings, authorizing certain rate increases which the railroads had announced they were willing to make.

The proceedings are docketed as Nos. 29663, 29664, and 29708, and the Portland hearing will be held at the Multnomah Hotel before Examiner Howard Hosmer.

### William J. Kennedy Reappointed to Retirement Board

William J. Kennedy, "public" member and chairman of the Railroad Retirement Board, has been reappointed by President Truman for a five-year term beginning August 29. The reappointment, which requires confirmation by the Senate, was submitted to that body on July 7.

Mr. Kennedy has been R.R.B.'s chairman since April, 1946, when he was appointed for the unexpired term of Murray W. Latimer, who had resigned in January, 1946.

### Motion to Postpone R. E. A. Case Overruled by Commission

Acting in the Docket No. 29679 proceeding, pertaining to the method of division of Railway Express Agency earnings, the Interstate Commerce Commission has overruled a motion by the eastern railroads to postpone further hearing for at least 60 days to permit those carriers to negotiate with southern and western roads for a "more equitable" basis of allocating intergroup revenues.

The eastern roads also had suggested that, should the proposed negotiations fail, they would present at the adjourned hearing in the proceeding a basis which they believed would result in "lawful and just" divisions of express revenues for the eastern roads. Both the southern and western carriers objected to the motion.

At the same time, the commission ordered the reopening of the Finance Docket No. 7322, Securities and Acquisition of Control of Railway Express Agency, Incorporated, and Finance Docket No. 7316, Express Contract, 1929, proceedings for "further hearing that part of the order . . . which relates to the pooling arrangement and to the distribution among the participating carriers of 'Rail Transportation Revenue'." The hearings will be held July 22 at the commission's Washington, D. C., offices before Commissioner Splawn and Examiner Way.

### Commission Sets Back Hearing Dates in C. & D. Probe

The Interstate Commerce Commission has set back previously announced hearing dates in its investigations into allowances paid by railroads, truckers and freight forwarders to persons performing pick-up and delivery service or transporting l.c.l. and less-than-truckload freight between stations at Kansas City, Mo.-Kan., Minneapolis Minn., and St. Paul; and Seattle, Wash., and Portland, Ore. As noted in *Railway Age* of June 14, page 1231, the inquiries will be for the purpose of determining whether such allowances paid to ware-



housemen, pool car distributors and shippers are in excess of amounts provided in tariffs and thus in violation of the Interstate Commerce Act.

The proceedings, over which Examiner Burton Fuller will preside, have been rescheduled as follows: Kansas City, No. 29762, September 8, at the Hotel President, Kansas City, Mo.; Twin Cities, No. 29763, September 16, at the U. S. Court House, Minneapolis; Seattle, No. 29764, September 24, at the Olympic Hotel, Seattle; and Portland, No. 29765, September 29, at the Hotel Multnomah, Portland.

### Increase in First-Class Fares Sought by Southern Roads

Thirty-six railroads operating in the South, including 23 Class I carriers, have asked the Interstate Commerce Commission for authority to increase, on five days' notice, their basic parlor and sleeping car fares by 6.06 per cent. Under the proposed tariffs, the one-way fares would be increased from 3.3 cents per mile to approximately 3.5 cents per mile; round-trip fares would become approximately 3.15 cents per mile; and minimum one-way fares would be 15 cents. No increase in coach fares is sought.

Observing that they derive a large portion of their gross revenues from passenger service, the petitioning roads contended that such service should contribute a fair share to increased operating costs. They added that the 17.6 per cent freight rate increase effective January 1 has proved inadequate to meet rising operating expenses.

The carriers also are seeking the same rate adjustments from state commissions with respect to intrastate first-class fares.

### A. A. R. for Rejection of Punitive Per Diem

(Continued from page 89)

**Short Lines' Views**—J. M. Hood, president of the American Short Line Railroad Association, urged the commission to dismiss the proceeding and "let the railroads do the best job they know how with the least interference." Mr. Hood, contending also that the proposed report was ambiguous in many respects, said that a penalty per diem would result in less efficiency and further depletion of the car supply. He added that the commission would find it impossible to "police" an order imposing a penalty per diem charge.

H. L. Walker, general counsel of the Chesapeake & Ohio, also opposed the imposition of a penalty per diem, but said that the commission should increase the charge to what he called a compensatory basis of approximately \$1.60. Asserting that a penalty per diem would be both costly and impracticable, Mr. Walker said that the fixing of a compensatory rate would expedite the movement of cars and result in the building of more equipment. As did Messrs. Hood and Preston, he also advocated dismissal of the proceeding.

Insisting that the commission has the authority to increase per diem, Frank Perrin, counsel for the Office of Defense

Transportation, urged the imposition of a \$3.50 per diem rate, which, he said, could be "fluctuated" in accordance with the car supply. Stating that the earning capacity of cars has "skyrocketed," Mr. Perrin argued that the increased per diem should be applied to all types of freight equipment. While he declined to comment as to whether the \$3.50 rate would be compensatory or punitive, Mr. Perrin intimated that any substantial increase in per diem would stimulate the purchase of more cars and thus tend to offset the existing shortages.

H. L. Cockrum, representing the Department of Agriculture, recommended \$2 as a "compensatory" rate, and said that any penalty per diem should be based on a "graduated scale" similar to that used for determining demurrage charges. Contending that the \$2 rate should be only temporary, Mr. Cockrum said that it would decrease car detention and make more cars available for the anticipated record loading of agricultural products, particularly grain, later this year.

### I.C.C. Denies Post Office Plea to Delay Mail Pay Proceeding

The Interstate Commerce Commission this week denied a petition of the Post Office Department to vacate a commission order of May 19 in which it set July 10 as the hearing date in the Docket No. 9200 proceeding, wherein the railroads are seeking an increase of 45 per cent in rates for handling United States mail. At the same time, the commission also denied another Post Office Department petition in which it was sought to disqualify I. L. Koch as an examiner in the same proceeding.

In its petition the Post Office Department contended that no facts have been established by the railroads as a basis for an emergency hearing or justifying departure from the "normal, orderly procedure." Asserting that the commission is without authority in law to grant an interim increase in railway mail pay rates, the department said that a hearing on July 10 would be "substantially ex parte in nature."

"The Post Office Department has had no adequate opportunity to examine into the accuracy and completeness of the evidence the petitioners [railroads] propose to offer, nor to develop evidence in opposition thereto," the petition continued. "The system of railway mail pay should be completely reexamined prior to the entry of an order increasing or decreasing rates."

Stating that it has been approximately 20 years since there has been a proceeding of "similar magnitude," the department said that it will require a "large number of personnel" to enable it to "discharge its responsibilities in this regard." "Existing appropriations make no allowance therefor, and as in the past, special appropriation by Congress will be required," the department said, adding that a request for such an appropriation is now pending before Congress.

According to the department, it had insufficient time in which to examine cost studies prepared by the railroads, which, it said, failed to explain them accurately or fully. As reported in *Railway Age* of April 19, page 812, a pre-hearing conference was held earlier that month at which time rep-

resentatives of the railroads and Post Office Department agreed to confer on the cost studies with Dr. Ford K. Edwards, chief cost analyst of the I.C.C. Bureau of Transport Economics and Statistics.

With respect to Examiner Koch, the department asserted that he was "prejudiced" against the Post Office Department and "does not possess the necessary impartiality required in a proceeding of this kind." It further contended that Examiner Koch displayed an "adversary position in general" which caused department officers to believe he was "representing the railroads," adding that although he had received no evidence on the question, he "formed and expressed" the conclusion that an interim increase would be granted because of the "unnecessary delay" caused by the department.

### Adjustment Sought in Tennessee Interstate Freight Rates

Railroads operating in Tennessee have asked the Interstate Commerce Commission to institute an investigation into the refusal by the Railroad and Public Utility Commission of that state to permit intrastate freight rate increases in line with the interstate adjustment authorized by the I. C. C. in Ex Parte No. 162.

### Must Furnish Refrigeration for Potatoes from Southeast

Division 3 of the Interstate Commerce Commission has condemned as "not just and reasonable" suspended tariffs whereby railroads proposed to withdraw refrigeration service at points east of the Mississippi river for early (immature) white potatoes originating at stations in Florida, Georgia, North Carolina, South Carolina and Virginia. The report was in I. & S. Docket No. 5458, and the suspended schedules had been published to be effective during the current season from last February 10 until September 10.

However, as the commission interpreted it, the railroad presentation showed that the carriers were "seeking to divest themselves permanently of the duty" to furnish the refrigeration service. The report went on to point out that the "transportation" which railroads are required to furnish under section 1(3) and (4) of the Interstate Commerce Act is "specifically defined to include 'refrigeration or icing.'" The carriers "may not by their tariffs divest themselves of a lawful duty," the commission added.

It proceeded to find in the record of the case "undisputed scientific data and the recorded experience of shippers and growers" which "attest to the fact that early white potatoes require refrigeration in transit when moved in warm weather, and that this need is greatly intensified with respect to the potatoes when they have been washed." Meanwhile, there was evidence as to the spread of washing since 1933. All of which led the commission to conclude that, "while early white potatoes have been handled in ventilated box cars and dry refrigerator cars, and are yet handled to a considerable extent in dry refrigerator cars, the rising demand for refrigeration service is not a mere whim of shippers but is the result of extensive studies made for the

purpose of diminishing decay and meeting the competition with potatoes shipped from other producing areas under refrigeration."

The railroads contended, among other arguments in support of the suspended tariffs, that furnishing of the refrigeration service would require them to spend large sums of money for additional facilities, and that, under existing conditions, large quantities of ice would have to be hauled into the loading territories. The commission called these carrier statements "substantially overdrawn," while it found "without foundation" respondents' other contention that they would have to prepare to furnish refrigeration on 100 per cent of the potato movement.

"Although the holding out of refrigeration service leaves the door open for an unexpected demand for such service in excess of a carrier's capacity, it is a practical certainty that the demand will not arise," the report said in the latter connection. "The shipper," it added, "must pay for the service he obtains, and doubtless will request no more than he believes will be required." Meanwhile, the order requiring that the suspended schedules be cancelled is "without prejudice to the issuance of service orders limiting or prohibiting for a temporary period the icing of potatoes."

### Faricy Disputes Charge Worst Car Shortage Impends

William T. Faricy, president of the Association of American Railroads, this week refuted a statement of a Department of Commerce officer that the freight car shortage later this summer will be "more serious" than any yet experienced. The assertion, made by T. J. Murphy, of the machinery and metals section of the Office of Domestic Commerce is included in an article in the July issue of "Domestic Commerce," a monthly publication of the department.

Declaring that while there is nothing in prospect so far as the railroads are concerned that supports Mr. Murphy's forecast, Mr. Faricy conceded in a prepared statement that "it is true that we now have a freight car shortage due to record-breaking peacetime demands and the railroads' inability to get all the cars they need."

"It is also true," he continued, "that this situation may be aggravated with the harvesting of bumper crops, but we will not see anything to compare with the car shortages of the early '20's, and the conditions in this respect should be better than they were last year."

According to Mr. Faricy, there has been a steady decline in the car shortage since the week ending March 15, when the average daily car shortage reached a 1947 peak of 36,933 cars. He added that the latter figure was reduced to 12,755 cars per day during the week ending June 7, as compared to an average daily shortage of 179,239 cars during one week in 1922. At the same time, he reported that present carloadings are approximating 150,000 a day, which, he added, is more traffic than the railroads were handling last year when they had more freight cars.

"Judging from the best available information as to prospective industrial and

crop production," Mr. Faricy concluded, "the railroads see no reason why they should not be able to continue their present record of performance throughout the balance of 1947. Certainly there is nothing in sight that would cause a car shortage which would even approach that reported in 1922. The railroads will continue to do everything possible to alleviate the present shortage through the acquisition of new cars and through more intensive and efficient use of existing equipment."

Mr. Murphy's prediction was based on the maintenance of current levels of business activity coupled with anticipated bumper crops to be harvested and moved. Stating that there are 24,000 fewer freight cars in operation today than at the beginning of 1946, Mr. Murphy remarked that "this reduction in rolling stock comes at a time when unprecedented peacetime demands are being made on transportation systems." He added that 150,000 new cars are needed to relieve the current shortage and 574,000 additional cars to replace those units over 26 years old.

### R. F. C. Extended

President Truman last week signed the recently-enacted Senate Joint Resolution 135 which extends the life of the Reconstruction Finance Corporation for one year beyond June 30, or until July 1, 1948. The resolution also made other changes in the Reconstruction Finance Corporation Act.

As extended, the provisions relating to railroad loans authorize R. F. C.: "To purchase the obligations of and to make loans to any business enterprise organized or operating under the laws of any state or the United States: Provided, that the purchase of obligations (including equipment trust certificates) of, or the making of loans to, railroads or air carriers engaged in interstate commerce or receivers thereof, shall be with the approval of the Interstate Commerce Commission or the Civil Aeronautics Board, respectively: Provided further, that in the case of railroads or air carriers not in receivership or trusteeship, the commission or the board, as the case may be, in connection with its approval of such purchases or loans, shall also certify that such railroad or air carrier, on the basis of present and prospective earnings, may be expected to meet its fixed charges without a reduction thereof through judicial reorganization except that such certificates shall not be required in the case of loans or purchases made for the acquisition of equipment or maintenance."

### Senate Committee Reports Financial-Revamp Bill

The Senate committee on interstate and foreign commerce last week reported to the Senate an amended version of S. 249, the bill sponsored by Chairman White of that committee to set up procedures for readjustment of railroad financial structures. The committee's action placed on the Senate calendar a bill with provisions like the legislation being sponsored in the House by Representative Reed, Republican of Illinois, i. e., the procedures would apply to certain railroads undergoing reorganization as well as those not in the hands of the courts.

The Senate committee followed up the foregoing action this week by voting to report also an amended version of the House approved "Mahaffie" bill (H. R. 2298), the provisions of which would apply only to roads not in the hands of the courts. This House-approved bill was sponsored by Representative Wolverton, Republican of New Jersey, chairman of that body's committee on interstate and foreign commerce, but it has become known as the "Mahaffie" bill because it embodies recommendations of the Interstate Commerce Commission as presented by Commissioner Mahaffie.

S. 249 was also a "Mahaffie" bill when originally introduced by Senator White. The amendments which extend its coverage to certain roads already in the hands of the courts were sponsored by Senators Reed, Republican of Kansas, and Myers, Democrat of Pennsylvania. The committee's report to the Senate listed eight roads now undergoing reorganization which would qualify for the right to use the procedure of the bill. They include the Central of New Jersey; Chicago, Rock Island & Pacific; Missouri Pacific; New York, New Haven & Hartford; St. Louis Southwestern; and Wisconsin Central.

With respect to the St. Louis Southwestern, the report noted how that road is already carrying out a program for the termination of its reorganization proceeding. "Permissive terms in the bill will allow this to be accomplished without interference," the report added. It went on to say that "the other railroads named will be able to do likewise if granted the opportunity which this bill provides."

In general the bill is drawn along lines of the similar measure passed by Congress last year and vetoed by President Truman but with changes which the committee believes will meet "all of the objections of the President." Provisions relating to railroads not yet in the hands of the courts propose to reestablish in modified and amplified form the voluntary readjustment procedures of the former McLaughlin act, which expired November 1, 1945. Other provisions would apply those procedures on a mandatory basis to the covered roads which are already undergoing reorganization.

The earnings test to determine whether or not a road already in the hands of the courts would be eligible to invoke the bill's procedures is different from that of previous bills. Under it, a carrier would become eligible if its earnings in the 26-year period, 1921 to 1946, inclusive, exceeded its fixed charges. In the event a road was leased by another road during the 1921-1930 period, its eligibility would be determined on the basis of its earnings during the 1937-1946 period. The Senate committee's report called this "the stiff requirement of 26 years' earnings," and identified it as "perhaps the biggest change from last year's bill."

Another change provides that the bill shall not apply to any carrier if all of its outstanding stock, except directors' qualifying shares, has been surrendered or transferred to a court-appointed trustee. Also, as the committee report put it, the recommended bill "stiffens and raises the requirements as to the number of assents of bondholders necessary in order to put a plan



into effect." The report estimated that the total capital liabilities proposed "to be rescued by this bill from the heavy hand of forfeiture" is approximately \$2¼ billion. In arguing for favorable Senate action, the report went on to discuss what it called the present "impasse between courts and commission."

"At the very outset of its reconsideration of this legislation today," it said, "the Congress is confronted by contradictions and paradoxes in the administration of section 77 which seemingly grow more extreme by the week."

"It is a kind of Alphonse and Gaston act, the courts and the commission having been bowing to each other and saying 'you first' on the question of revision of plans. The commission has taken the position that once it has certified a plan to the court, its responsibility ends unless and until the court refers the plan back to it for further proceedings. The commission has steadfastly held to the view that inasmuch as it was not so directed by section 77 (that statute is silent on the matter), it should not request or even suggest to the court that a plan once approved be referred back to the commission for reexamination in the light of changed conditions. And this has remained true, regardless of how inequitable and outmoded the plan has become by reason of such changes. On the other hand the courts (including the Supreme Court) have persistently said that if there was substantial evidence in the record to support the plan, they would not disturb it. As a consequence of this doctrine of administrative conclusiveness, a plan, once approved and certified by the commission, becomes endowed with fatal finality. Nothing (in the practical sense) can stop it. Even a virtually unanimous application by the parties directly affected is of no avail to recall it."

Meanwhile in the House Representative Reed recently introduced H. R. 3980 which is a revised version of his proposal. This new House bill is like the reported S. 249 and will become a substitute for H. R. 3237. It was considered by the House judiciary committee, but not acted upon, at an executive session on July 9.

## Emergency Board Reports

Reporting on a dispute between the Alton, which was acquired May 31 by the Gulf, Mobile & Ohio, and certain of its employees represented by the Order of Railroad Telegraphers, a National Railway Labor Panel emergency board has recommended that in all cases where three shifts are worked, the present lower wage of the second and third shift be advanced to the wage now paid for the first shift. The report, submitted to President Truman and made public last week, also recommended that the wage increases be retroactive to October 1, 1946.

The O. of R. T. had requested the Alton to set up a fund of approximately \$30,000 for the purpose of alleged wage inequalities among about two-thirds of its employees, such distribution to be made by agreement between the union and management. The railroad asserted that existing differences of pay were incident to all railroad operations in the nation and that granting the employees' request was impracticable, add-

ing that it would create other inequalities and was equivalent to a demand for an increase in wages. The union contended that the requested changes would eliminate specified inequalities in employee groups and that the resulting wage increases were merely incident to the main purpose of securing more uniformity of pay where urgently needed.

The same board, reporting on a dispute between the Florida East Coast and certain of its employees represented by the International Association of Railway Employees, disclosed that the carrier, during mediation, signed an agreement with the union granting the full 18½ cents per hour wage in-

crease to all Negro firemen employed by the F. E. C., this increase also being retroactive to October 1, 1946. The union and its predecessor organization of Negro firemen were not parties to the 1946 national arbitration proceedings resulting in a 16 cents per hour increase nor to the negotiations leading to the further 2½ cents per hour increase later granted by President Truman. In August, 1946, the International Association requested the F. E. C. to give its employees the 18½ cents per hour increase, while the carrier countered with a request that certain rules of the existing agreement be clarified.

In another report pertaining to a dis-

## Selected Income and Balance-Sheet Items of Class I Steam Railways

Compiled from 130 reports (Form IBS) representing 134 steam railways  
(Switching and Terminal Companies Not Included)

	All Class I Railways			
	For the month of March		For the three months of	
	1947	1946	1947	1946
<b>Income Items</b>				
1. Net railway operating income	\$72,781,810	*\$ 5,702,870	\$174,095,168	\$110,718,525
2. Other income	14,160,037	13,902,044	43,839,039	41,138,406
3. Total income	86,941,847	8,199,174	217,934,207	151,856,931
4. Miscellaneous deductions from income	3,245,235	2,356,206	9,564,625	7,383,587
5. Income available for fixed charges	83,696,612	5,842,968	208,369,582	144,473,344
<b>Fixed charges:</b>				
6-01. Rent for leased roads and equipment	11,004,423	6,548,905	32,354,186	28,021,697
6-02. Interest deductions <sup>1</sup>	26,198,435	29,699,675	78,981,308	89,226,597
6-03. Other deductions	136,443	117,914	410,491	351,281
6-04. Total fixed charges	37,339,301	36,366,494	111,745,985	117,599,575
7. Income after fixed charges	46,357,311	*30,523,526	96,623,597	26,873,769
8. Contingent charges	3,210,368	2,899,721	9,700,968	8,750,073
9. Net income <sup>2</sup>	43,146,943	*33,423,247	86,922,629	18,123,696
10. Depreciation (Way and structures and Equipment)	29,364,531	28,579,695	87,065,807	85,077,631
11. Amortization of defense projects	1,350,401	677,127	4,068,446	1,645,020
12. Federal income taxes	30,649,999	*23,440,594	76,144,417	23,964,041
13. Dividend appropriations:				
On common stock	12,152,596	21,227,792	34,456,494	41,653,098
On preferred stock	2,572,569	8,305,860	7,919,766	14,785,007
Ratio of income to fixed charges (Item 5÷6-04)	2.24	0.16	1.86	1.23
<b>Selected Asset and Liability Items</b>				
17. Expenditures (gross) for additions and betterments—Road	\$ 52,388,304	\$ 50,302,611		
18. Expenditures (gross) for additions and betterments—Equipment	101,441,604	51,173,825		
19. Investments in stocks, bonds, etc., other than those of affiliated companies (Total, Account 707)	573,526,223	589,315,717		
20. Other unadjusted debits	173,867,881	169,307,866		
21. Cash	930,405,928	974,676,523		
22. Temporary cash investments	986,614,092	1,520,061,905		
23. Special deposits	147,501,626	179,706,139		
24. Loans and bills receivable	255,596	464,100		
25. Traffic and car-service balances—Dr.	56,679,936	53,790,699		
26. Net balance receivable from agents and conductors	132,555,753	105,094,606		
27. Miscellaneous accounts receivable	287,068,450	398,661,759		
28. Materials and supplies	709,737,710	616,618,839		
29. Interest and dividends receivable	16,850,024	28,581,655		
30. Accrued accounts receivable	166,822,084	231,093,502		
31. Other current assets	59,602,555	48,338,133		
32. Total current assets (items 21 to 31)	3,494,093,754	4,157,087,860		
40. Funded debt maturing within 6 months <sup>3</sup>	179,928,180	122,735,563		
41. Loans and bills payable	8,635,000	10,604,058		
42. Traffic and car-service balances—Cr.	89,462,998	126,088,591		
43. Audited accounts and wages payable	447,250,091	441,671,871		
44. Miscellaneous accounts payable	203,823,396	163,467,127		
45. Interest matured unpaid	71,136,945	79,019,675		
46. Dividends matured unpaid	16,120,444	16,189,368		
47. Unmatured interest accrued	59,399,114	56,633,335		
48. Unmatured dividends declared	20,732,104	35,848,630		
49. Accrued accounts payable	150,898,266	310,501,383		
50. Taxes accrued	446,593,252	666,178,010		
51. Other current liabilities	93,774,086	124,811,040		
52. Total current liabilities (items 41 to 51)	1,607,825,696	2,031,013,088		
53. Analysis of taxes accrued:				
53-01. U. S. Government taxes	331,504,422	535,512,930		
53-02. Other than U. S. Government taxes	115,088,830	130,665,080		
54. Other unadjusted credits	352,780,947	430,592,135		

<sup>1</sup> Represents accruals, including the amount in default.

<sup>2</sup> After a deduction of \$196,487, taken out of operating revenues to create reserves for land grant deductions in dispute.

<sup>3</sup> Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report.

\* Decrease or deficit.

Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission. Subject to revision.

pute between the Missouri Pacific and employees represented by the Railroad Yardmasters of America, a panel board said that an agreement was reached during the course of the hearings under which general yardmasters will be accorded one day of rest per week without reduction in pay and two weeks vacation per year. The union also sought recognition of its right to represent general yardmasters, payment of time and one-half for service performed on Sunday and certain legal holidays and a sick-list rule.

The White House also made public the supplemental report of another board which had been reconvened to further interpret its findings with respect to a dispute between the Louisville & Nashville and employees represented by the American Train Dispatchers Association. The board's previous recommendations were reported in *Railway Age* of May 3, page 910.

In interpreting its previous report, the board said that all chief, night chief and assistant chief dispatchers should be covered by all rules of the present agreement, except that the L. & N. should have the privilege of filling the positions of chief dispatchers without regard to the seniority rule. It said that the title "chief dispatcher" applies to day chief dispatchers only. In its original report, the board had recommended that the L. & N. should retain the right to fill the chief dispatcher positions with men that it thinks "best qualified without regard to their seniority rights"; but the men so selected "should have the protection of other provisions of the present seniority rule of the agreement."

### R. E. A. Rate Hearing Ends

Presentation by J. P. Cole, assistant to the vice-president of the Association of American Railroads, of revised statistics embodying cost studies marked the conclusion this week of hearings before the Interstate Commerce Commission on the Railway Express Agency's petition for additional rate increases. Commissioner Splawn presided.

As noted in *Railway Age* of June 14, page 1233, the R. E. A. seeks rate increases estimated to yield approximately \$70 million a year and which would provide, according to the agency, adequate compensation for services performed by the railroads in transporting express traffic. The present proceeding was a further hearing in the Ex Parte 163 proceeding, wherein the commission has already authorized increases for the R. E. A. for a one-year period from last December 13. The latter increase is calculated to produce \$58,900,000 in additional annual revenue.

Mr. Cole's presentation was based on the result of a suggestion made last month by Commissioner Splawn that the witness confer with Dr. Ford K. Edwards, chief cost analyst of the commission's Bureau of Transport Economics and Statistics, with respect to a cost formula introduced by Mr. Cole on June 11. Mr. Cole said that he made adjustments to the formula on the basis of criticisms made by Dr. Edwards and his staff. A report of Mr. Cole's previous testimony appeared in *Railway Age* of June 21, page 1279.

The commission also received numerous

verified statements from various shippers and shippers representatives, all of whom objected to the proposed increases.

### O. D. T. Still in Business

Since the 1947 fiscal year ended on June 30, the Office of Defense Transportation has continued to operate under authorizations contained in "stop-gap" legislation enacted by Congress when it became evident that most of the regular appropriation bills and pending war-power-extension proposals would not have been acted upon when the new fiscal year began on July 1. Under the present legislation O. D. T. is authorized to operate through the month of July, and there are still pending in Congress bills which would extend its life until January 31, 1948.

The one-month reprieve resulted from two "stop-gap" acts, the first being Public Law 145 of the 80th Congress (the former Senate Joint Resolution 139) which passed the Senate on June 27 and the House on June 30, the day on which it was also approved by the President. That resolution extended certain provisions of the Second War Powers Act, including those under which O. D. T. functions, from June 30 until July 15. It also authorized appropriations of "such sums as may be necessary to carry out the provisions of this joint resolution."

The second act which has the effect of extending the reprieve until the end of the current month is Public Law 161 of the 80th Congress (the former H. R. 4031) on which congressional action was completed July 2, Presidential approving coming the following day. This is an act "making appropriations to meet emergencies for the fiscal year ending June 30, 1948." Among other things it provides that any federal agency, which had a fiscal 1947 appropriation and for which an estimate for a fiscal 1948 appropriation was submitted by the President to Congress prior to July 2, may continue to incur obligations within prescribed limits.

Farthest advanced of the pending proposals to extend O. D. T. until January 31, 1948, is H. R. 3647, which was this week in conference to reconcile the differing versions which passed the House and Senate. The bill contemplates the extension of various powers of the Second War Powers Act, and the Senate version carries the O. D. T.-extension provision, which was added during debate on the bill at the suggestion of Senator Reed, Republican of Kansas. To the list of the President's allocation powers which the bill would extend, the Reed amendment added: "The use of transportation equipment and facilities by rail carriers, but only until January 31, 1948."

Two other pending bills, which cover that matter only, propose a like extension. They are S. 1297, introduced by Senator Reed and reported favorably to the Senate by its committee on interstate and foreign commerce; and H. R. 3152, introduced by Representative Wolverton, Republican of New Jersey, chairman of the House committee on interstate and foreign commerce, which has reported the measure favorably to the House. Meanwhile, the congressional appropriation committees have as yet

taken no action on President Truman's request for an appropriation of \$644,000 to keep O. D. T. in operation through fiscal 1948.

### Congress Gives New Companies Tax Credits of Predecessors

Acceptance by the House of Senate amendments completed Congressional action July 7 on H. R. 3861, the bill introduced by Representative Jenkins, Republican of Ohio, "to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purpose of certain provisions of the Internal Revenue code." The bill was originally passed by the House on June 25 while the Senate adopted its amended version on July 3.

The House ways and means committee's favorable report on the bill explained that it would remove the "discrimination" arising out of existing law which provides that if a railroad reorganization is effected through the organization of a new corporation, any carry-overs of net operating losses or unused excess profits credits of the old corporation cannot be used by the new corporation. In its final version, the bill would allow the predecessor-corporation credits to railroad corporations which have acquired, prior to January 1, 1950, the property of other railroad corporations in receiverships or proceedings under section 77 of the Bankruptcy act.

The relief would be retroactively applied to extend the benefits to railroads which have already completed their reorganizations, and there are provisions whereby credits available to the new corporation would be limited to those which would have been available if the reorganization had been effected under the charter of the predecessor company. The report estimated that the legislation would make credits totaling approximately \$7,500,000 available to the following roads: Akron, Canton & Youngstown; Chicago & Eastern Illinois; Gulf, Mobile & Ohio; Minneapolis & St. Louis; Minneapolis, St. Paul & Sault Ste. Marie; Spokane International; and Wash.

## Construction

### New Georgia Corporation Plans Atlanta-to-Savannah Line

The Southeastern, a new company incorporated March 21 in Georgia to operate under the laws of that state, has applied to the Interstate Commerce Commission for authority to construct and operate a line extending from Atlanta, Ga., to Savannah, approximately 229 miles, in addition to approximately 20 miles of connecting tracks and spurs. Georgia municipalities it would serve include Monticello, Milledgeville, Sandersville, Swainsboro and Statesboro. The applicant proposes to finance the construction by issuing 200,000 shares of non-assessable common stock at \$50 per share, with the first issue to total \$500,000. E. T. Mitchell, of Paoli, Pa., is president and general manager.



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**CHESAPEAKE & OHIO.**—This road has awarded contracts to four companies for various phases of the work involved in the construction of a low level coal dumping pier at Newport News, Va. The estimated cost of the entire project is \$5,020,000. The Norfolk (Va.) Dredging Company will do the dredging work; the concrete substructure will be built by the Tidewater Construction Company, Norfolk; the dumper and conveyors will be provided by the Link-Belt Company, Philadelphia, Pa.; and the Alliance Machine Company, Alliance, Ohio, will provide the traveling towers.

Contracts have been awarded also for the following projects, the estimated costs of which are shown in parentheses: To Haley, Chisholm & Morris, Inc., Charlottesville, Va., for the construction of additional yard tracks at Gladstone, Va. (\$453,200); to the Sutton Company, Radford, Va., for constructing a second main-line track from Maidens, Va., to Irwin (\$233,400); to the Forbes Construction Company, Huntington, W. Va., for extending and rearranging mine development tracks at Marnie, W. Va. (\$94,800), and for similar work at Prenter, W. Va. (\$37,900); to B. F. Parrot & Co., Roanoke, Va., for the construction of a Y.M.C.A. building at Russell, Ky. (\$583,700); to the Hughes-Foulkrod Company, Philadelphia, for constructing a shop building and concrete truckways at Russell (\$244,700); to the Pittsburgh Des Moines Steel Company, Pittsburgh, Pa., for installing a water tank at Presque Isle, Ohio (\$42,000); and to the John S. Metcalf Company, Chicago, for two additional grain driers at the Calumet elevators, South Chicago, Ill. (\$97,000).

The following projects, bids for which have been or will be requested, have been authorized and the probable costs are shown in parentheses: The construction of a joint passenger station at Waynesboro, Va. (\$476,700); extending the switching lead and constructing a set-off track at Covington, Va. (\$177,800); changing the line at Lowell, W. Va. (\$449,620); installing a water station and automatic electric pumps at Jenkins, Ky. (\$30,000); improving the engine terminal facilities at Parsons, Ohio (\$99,000); constructing an office, washroom and locker building at Marion, Ohio (\$32,400); constructing an office building for yardmasters at Presque Isle, Ohio (\$27,500). The following projects, which will be undertaken by company forces, also have been authorized: Installing centralized traffic control signal systems between Balcony Falls, Va., and Iron Gate (\$456,300), from the JN Cabin to Highland Park at Richmond, Va. (\$28,300), and between Allegheny, Va., and White Sulphur, W. Va. (\$77,620); extending the Trace Fork branch line at Holden, W. Va. (\$266,500); and extending the passing track at Dorton, Ky. (\$34,600).

**NEW YORK CENTRAL.**—This road has applied to the Interstate Commerce Commission for authority to construct a 14-mile branch line in Nicholas county, W. Va. It will extend from a connection with the Nicholas, Fayette & Greenbrier—owned jointly by the applicant and the Chesapeake & Ohio—at the point of confluence of Peters creek and the Gauley river to the property of the Peters Creek coal company.

## Equipment and Supplies

### June Freight Car Production Five-Year High

Production of freight cars for domestic use reached a five-year high last month with the construction and delivery of 5,527 units, compared with 3,929 units in May, it has been announced by S. M. Felton, president of the American Railway Car Institute. Of the June total, 1,297 cars were built in railroad shops, compared with 798 cars constructed in railroad shops in May.

"The month's figures for railway car construction reflect a substantially improved flow of steel and other materials to the car shops," Mr. Felton said. "There remains some unevenness in distribution of components needed to produce complete cars and strikes have also been a deterrent, but in both respects the situation is considerably better now than it was." Mr. Felton pointed out that June freight car production was the best since May, 1942, when the car company and railroad shops built 6,614 cars.

Freight cars ordered during June, Mr. Felton added, totaled 13,084, including 3,000 ordered from railroad shops, compared with May orders for 7,390, including 4,580 from railroad shops. The number of cars on order and undelivered on July 1 amounted to 109,006, including 29,482 on order with railroad shops.

### Pullman-Standard Ships First of P-S-I Box Cars

The Pullman-Standard Car Manufacturing Company has begun commercial deliveries of its new, "rapid-production" P-S-I box car (see *Railway Age* of March 22, page 632), the first of nearly 10,000 cars of this type being built, according to Wallace N. Barker, executive vice-president. Mr. Barker said that "with its greater standardization in design," the new-type box car "will mean lower cost to its railroad purchasers." The company itself manufactures a portion of the component parts of the car.

The first shipment of the cars went to the Lehigh Valley and, according to Mr. Barker, 11 other railroads have placed orders. Six thousand of the units will be built at the Michigan City (Ind.) plant and others will be constructed at the Bessemer (Ala.) shops.

### LOCOMOTIVES

The BALTIMORE & OHIO has ordered 20 3,000-hp. Diesel-electric freight locomotives from the Electro-Motive Division of the General Motors Corporation. Delivery of these engines is scheduled for the first quarter of 1948. The B. & O. also has announced the purchase of 10 Mallet steam locomotives from the Seaboard Air Line, delivery of which will be completed by August 15.

The MINNEAPOLIS & ST. LOUIS has ordered three 1,000-hp. Diesel-electric road-switching locomotives from the American

Locomotive Company. Delivery is scheduled for September, 1948.

The UNION PACIFIC has ordered two 6,000-hp. Diesel-electric passenger locomotives from Fairbanks, Morse & Co., at a cost of approximately \$1,250,000. Delivery of the units is expected in February, 1948.

### FREIGHT CARS

The GULF MOBILE & OHIO has ordered 300 50-ton 40½-ft. welded box cars and 100 50-ton, 41-ft. 3-in., steel, high-side gondola cars from the American Car & Foundry Co.

The CHICAGO & EASTERN ILLINOIS has ordered 25 50-ton steel flat cars from the American Car & Foundry Co.

The ILLINOIS CENTRAL has ordered 1,500 50-ton 33-ft. steel hopper cars and 1,500 50-ton 40-ft. steel-sheathed box cars from its Centralia, Ill., shops. Construction of the hopper cars is scheduled for the first half of 1948 and the box cars will be built during the second half. An inquiry for the hopper cars was reported in the *Railway Age* of June 14.

The UNION PACIFIC is inquiring for 1,600 50-ton box cars.

The READING is inquiring for 1,000 50-ton box cars.

The WHEELING & LAKE ERIE is inquiring for 1,000 70-ton hopper cars.

### SIGNALING

The CINCINNATI, NEW ORLEANS & TEXAS PACIFIC (Southern system) has ordered materials from the General Railway Signal Company for the installation of centralized traffic control on 19 mi. of single track between U.S. Junction, Ky., and Flat Rock. The control machine, to be located at Somerset, Ky., about 25 mi. from the most distant controlled point, will have a 50-in. panel equipped with 33 track indication lights and 26 levers for the control of 9 switch machines, 2 switch locks, and 39 signals.

The Electric-Motive Division of the General Motors Corporation has ordered six sets of train control equipment from the General Railway Signal Company for installation on Diesel-electric freight locomotives for the ERIE.

The MISSOURI PACIFIC has ordered materials from the General Railway Signal Company for the installation of Type-F centralized traffic control on 22 mi. of single track between Pleasant Hill, Mo., and Elm Park. The control machine, to be located at Pleasant Hill, will have a 60-in. panel, equipped with 32 track-indication lights and 24 levers for the control of 40 signals and 10 switch machines. Type-G signals, Model-5D dual-control electric switch machines, and welded steel bungalows are included in this order.

The WESTERN PACIFIC has placed orders with the Union Switch & Signal Co. for the materials required to install a block signal system on 94 mi. of single track between Oakland, Cal., and Hammer Lane (near Stockton). The orders include a 15-ft. Style C control machine located at

Sacramento, 45 mi. north of Stockton, which will control the territory between Oakland and Stockton, and one 5-ft. control machine also located at Sacramento which will control the territory between Stockton and Hammer Lane. The order also involves carrier equipment for three lines in the Oakland-Stockton territory, coded track circuit equipment, Style H-2 searchlight signals, HC-81 highway crossing signals, T-21 switch layout with SL-25 electric switch locks, switch circuit controllers, relays, rectifiers, transformers and housings. The installation work is being done by the railroad construction forces.

## Supply Trade

**T. R. Coffey** has been appointed manager of sales of the Detroit, Mich., office of the **Globe Steel Tubes Company**, effective July 14. Mr. Coffey has been



**T. R. Coffey**

associated with Globe Steel Tubes since 1928, serving in various capacities in the general sales department. He was appointed manager of sales of the Milwaukee, Wis., office in 1943, the position he held at the time of his recent appointment.

Effective July 1, the Chicago sales units of the **Carnegie-Illinois Steel Corporation** (a subsidiary of the United States Steel Corporation) were combined. The consolidated sales organization is directed by **G. A. Price**, manager of the Chicago district sales office. **E. W. Backes** has been appointed railroad industries sales manager. **J. H. Morava** has been appointed manufacturing industries sales manager. **G. O. With** has been appointed construction industries sales manager.

**John J. Davis, Jr.**, has joined the staff of the **Inland Steel Company**, at Chicago, and will become manager of sales, railroad division, on January 1, 1948, when he will succeed to the full responsibilities of **William J. Hammond**, vice-president and manager of sales, railroad division, who will retire on that date.

**Harold L. Hoefman**, general manager of the Pershing Road (Chicago) plant of the **Link-Belt Company**, has been elected

vice-president in charge of manufacturing at Chicago. **David E. Davidson**, head of the engineering department at the Pershing Road plant, has been appointed general manager.

**Raymond L. Gillispie**, consultant to the rail and track accessories division of the **Bethlehem Steel Company** at Bethlehem, Pa., has retired.

**H. W. Huebner**, general supervisor, traffic department, of the subsidiaries of the **United States Steel Corporation** in the Chicago district, has been appointed assistant traffic manager, succeeding **C. H. Schnigla**, who has retired after more than 45 years of service. **G. W. Annen**, supervisor, rate and route bureau, succeeds Mr. Huebner as general supervisor. **E. W. Crane**, Mr. Annen's assistant, succeeds him as supervisor, rate and route bureau.

**W. W. Spangler** has been appointed general traffic manager of the **Universal Zonolite Insulation Company**, at Chicago. He was formerly special representative of the freight traffic managers of the Chicago & North Western, at Chicago.

**H. D. Worthington** has been appointed supervisor, construction material sales, Chicago district, of the **American Steel & Wire Co.** (a subsidiary of the United States Steel Corporation). Mr. Worthington has been associated with American Steel & Wire since 1924, when he was employed as a sales engineer in the Chicago office. He has subsequently worked in the Detroit, (Mich.), Pittsburgh, (Pa.) and Kansas City (Mo.) offices, and returned to Chicago following his release from the armed forces.

The **American-Marietta Company** has announced an expenditure of \$100,000 for plant renovation and equipment rearrangement at the plant of the **Charles R. Long, Jr., Company**, at Louisville, Ky. Completion of the work is scheduled for September 1.

**Basil Fenn-Anstruther** has been appointed representative of **Iron & Steel Products, Inc.**, for the states of California, Nevada, and Arizona, with headquarters at 416 West Eighth street, Los Angeles 14, Cal.

The **Wilson Engineering Corporation**, Chicago, has appointed **Allen-O'Neill Associates**, 219 Ninth street, San Francisco 3, Cal., as its Pacific coast representatives.

The **Cummins Engine Company** has announced the following changes in its executive personnel: **R. E. Huthsteiner**, vice-president and general manager, has been elected a director of the company to succeed the late **Hugh T. Miller**; **Edwin G. Crouch** has been elected secretary and **Waldo M. Harrison** has been elected treasurer, to succeed the late **D. C. Bottorff**, who served in both capacities, and **W. J. Manning** has been appointed assistant controller. The company also announced that **H. L. Knudsen**, vice-president of engineering, has resigned but will continue as a director of the firm and

**D. J. Cummins** has been appointed manager of engineering and quality to assume most of Mr. Knudsen's former duties.

**E. T. Erickson** has been appointed to head the Chicago city sales department of the **Dearborn Chemical Company**.



**E. T. Erickson**

Mr. Erickson has been chemical engineer in the company's water treating division for the past three years.

The Bethlehem Steel Company has announced the following changes in its sales personnel: **J. M. Ellis**, formerly general manager of sales and **M. C. Schrader**, formerly assistant to the general manager, have been appointed assistants to the vice-president; **K. L. Griffith**, formerly assistant general manager of sales has been appointed general manager of sales; **D. C. Roscoe**, formerly manager of sales, sheets and strip, has been appointed assistant general manager of sales, and **A. T. Hunt**, formerly manager of sales, galvanized sheets and formed products, has been appointed manager of sales, sheets and strip.

The Atlantic states interests of **Kelite Products, Inc.**, manufacturers of industrial chemicals for cleaning and processing,



**Gene Goble**

have been taken over by the **Kelite Products Company**, under the direction of **Gene Goble**. Mr. Goble also is president and general manager of **Goble Aircraft Specialties, Inc.**



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**George H. Woodard**, formerly manager of the aviation gas turbine division of the Westinghouse Electric Corporation, has entered private practice as a consulting engineer to serve railway supply manufacturers in the development and introduction of new product lines.

**James E. Davenport**, vice-president of the **American Locomotive Company**, has resigned. Mr. Davenport had been in charge of engineering, development and research for the company since 1940.

**Roy C. Norton, Jr.**, has been appointed a field engineer in the Hartford, Conn., district office of **SKF Industries, Inc.**, and **I. J. Torkelson**, field engineer at Chicago, has been transferred to the branch office at Milwaukee, Wis. **R. M. Parrish** has been appointed to the sales staff of the district office at Portland, Ore.

**C. S. Munson, Jr.**, formerly assistant to the executive vice-president of the **Vanadium Corporation of America**, has been appointed assistant to the president.

## OBITUARY

**H. H. Richardson**, assistant vice-president of the National Aluminate Corporation, Chicago, died in that city on July 5.

## Financial

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**CENTRAL OF NEW JERSEY-CENTRAL OF PENNSYLVANIA.—Equipment Trust Certificates.**—Division 4 of the Interstate Commerce Commission has authorized these roads to assume joint liability for \$1,605,000 of Series A C. of P. equipment trust certificates, the proceeds of which will be applied toward the purchase of 5 4,500-hp. Diesel-electric freight locomotives, at an estimated unit cost of \$432,800, as outlined in *Railway Age* of June 7, page 1189. The certificates will mature in 15 annual installments of \$107,000 each, starting June 15, 1948. The report also approves a selling price of 99.52 with a 2½ per cent annual interest rate, the bid of Harris, Hall & Co. and associates, on which basis the average annual cost will be approximately 2.44 per cent.

**CHESAPEAKE & OHIO.—Equipment Trust Certificates.**—This road has sold \$3,150,000 of equipment trust certificates to Halsey, Stuart & Co. and associates on a bid of 99.852 for a 1¾ per cent coupon, which represents a net interest cost to the C. & O. of 1.788 per cent. The certificates were re-offered to the public, subject to the approval of the Interstate Commerce Commission, at prices yielding from 1.10 per cent to 1.875 per cent, according to maturity. (See *Railway Age* of June 28, page 1329.)

**CHESAPEAKE & OHIO.—N. Y. C. Stock and Directorships.**—The Interstate Commerce Commission has set September 15 as the hearing date in the proceeding wherein this road is seeking to release its holdings of New York Central stock from trusteeship and in the other proceedings wherein Robert R. Young and Robert J. Bowman, chairman and president, respec-

tively, of the C. & O., are seeking authority to serve as N. Y. C. directors. The hearing will be held at the commission's Washington, D. C., offices before Charles E. Bowles, assistant director of the commission's Bureau of Finance. (See *Railway Age* of July 5, page 66.)

**CHICAGO, ROCK ISLAND & PACIFIC.—Chairman of Reorganization Board.**—Edward E. Brown, chairman of the First National Bank of Chicago, has been elected chairman of the five-man reorganization board of this road. Mark A. Brown, executive vice-president, Harris Trust & Savings Bank of Chicago, has been elected vice-chairman.

**CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—Equipment Trust Certificates.**—This road has sold \$6,000,000 of series Z equipment trust certificates to Halsey, Stuart & Co. and associates on a bid of 99.14 for a 1½ per cent annual interest rate. The certificates were reoffered to the public at prices yielding from 1.10 per cent to 2.20 per cent, according to maturity. (See *Railway Age* of June 28, page 1329.)

**ERIE.—Equipment Loan.**—This road has requested bids by July 15 for the lowest interest rate at which the bidders will supply \$311,570 to finance about 80 per cent of the cost of 5 Diesel-electric switching locomotives to be built by the American Locomotive Company. The loan, to be made under a conditional sales agreement dated August 1, 1947, will be repayable in quarterly installments over a 10-year period beginning on December 1, 1947.

**GEORGIA, FLORIDA & ALABAMA.—Plan of Reorganization.**—Hearing before Examiner C. A. Bernhard of the Interstate Commerce Commission on this road's reorganization proceedings has been set back from July 15 to September 3, at the commission's Washington, D. C., offices. (See *Railway Age* of June 21, page 1283.)

**ILLINOIS TERMINAL.—Equipment Trust Certificates.**—Division 4 of the Interstate Commerce Commission has authorized this road to assume liability for \$1,030,000 of Series C 2 per cent equipment trust certificates, the proceeds of which will be applied toward the price of 350 all-steel box cars at an estimated unit cost of \$3,708. The certificates will mature in amounts of \$51,000 on January 1 and \$52,000 on July 1, starting January 1, 1948, and ending July 1, 1957. The report also approves a selling price of 99.2183, the bid of Stroud & Co., on which basis the average annual cost will be approximately 2.17 per cent. (See *Railway Age* of May 24, page 1099.)

**MIDDLETOWN & NEW JERSEY.—Acquisition.**—This company has applied to the Interstate Commerce Commission for authority to acquire and operate the Middletown & Unionville, extending 14 miles from Middletown, N. Y., to Unionville, and to acquire from the New York, Ontario & Western and operate approximately 1.1-mile of track in Middletown. The latter segment formerly was operated under lease by the M. & U., the railroad properties and franchises of which were disposed of at a mortgage foreclosure sale earlier this year. The applicant would

pay \$22,000, including \$12,000 in cash, for the M. & U. The applicant also seeks commission authority to issue at par \$15,000 of common stock, par value \$100 per share, part of which would be applied toward the M. & U. acquisition and the remainder toward working capital.

**NEW YORK, CHICAGO & ST. LOUIS.—Loan.**—This road has requested bids by July 17 for the lowest interest rate at which the bidders will lend \$6,000,000 to be used in the purchase of 115,369 shares of Wheeling & Lake Erie 4 per cent prior lien stock and 1,658 shares of W. & L. E. preferred stock now owned by the Chesapeake & Ohio, and 54 shares of the prior lien stock now owned by the Allegheny Corporation. The total cost of the stock will be \$11,242,401. The loan will be repaid in 16 half-yearly installments of \$375,000 each and will be evidenced by promissory notes to be secured initially by the pledge of \$3,000,000 of the Nickel Plate's series E 3¼ per cent refunding bonds, due in 1980, and 80,000 shares of W. & L. E. prior lien stock.

**ONTARIO NORTHLAND.—Annual Report.**—Operating revenues of this road for the fiscal year ended on March 31, 1946, amounted to \$7,827,501, compared with \$6,605,360 in the preceding fiscal year. Operating expenses totaled \$5,872,970, compared with \$5,496,504. Net income was \$1,390,331, compared with \$729,221.

**PIEDMONT & NORTHERN.—Changed Dividend.**—This road has declared a dividend of \$1.50 a share on the common stock, payable July 21 to stockholders of record on July 5. The previous payment was 50 cents a share on April 21.

**SMOKY MOUNTAIN.—Promissory Notes.**—Division 4 of the Interstate Commerce Commission has authorized this road to issue \$10,000 in 4 per cent one-year promissory notes, the proceeds of which will be applied toward rehabilitation and operation.

**ST. LOUIS SOUTHWESTERN.—Termination of Reorganization.**—Plans of this road and its trustee, Berryman Henwood, to terminate its reorganization proceeding under section 77 of the Bankruptcy Act cleared the Interstate Commerce Commission last week when the commission's Division 4 approved that phase of the program which contemplates renewal of notes in the amount of \$21,482,250 and issuance of non-interest-bearing notes in the amount of \$1,000,000. The commission's favorable action is "subject to the return to the applicant of its properties now held by the trustee in bankruptcy."

The note issues approved by the commission provide for the refinancing of defaulted 5 per cent notes held as follows: Chase National Bank of New York, principal, \$3,500,000, unpaid interest, \$259,758; Mississippi Valley Trust Company, principal, \$1,000,000, unpaid interest, \$74,442; Southern Pacific, principal, \$17,882,250 unpaid interest \$2,017,390. The accrued interest and 20 per cent of the principal on the Chase and Mississippi Valley notes will be paid in cash, with the remaining principal in both cases (totaling \$3,600,000) renewed by 2½ per cent notes payable in

semi-annual installments from January 1, 1948, to July 1, 1952. The principal amount (\$17,882,250) of the note held by the S.P. (which will resume control of the Cotton Belt after termination of the bankruptcy) will be renewed by a 3 per cent note payable in 38 semi-annual installments of increasing amounts from July 1, 1951, to January 1, 1970. All but \$1,000,000 of the accrued interest on the S.P. note will be paid in cash, the \$1,000,000 balance becoming the basis of the non-interest-bearing note issue. The latter will be a series of eight notes, payable semi-annually from January 1, 1948, to July 1, 1951. As collateral security for the notes, the Cotton Belt is authorized to pledge not exceeding \$30,230,000 of its general and refunding mortgage 5 per cent bonds, series A, and \$600,000 of Southern Illinois & Missouri Bridge Company first mortgage 4 per cent bonds.

Dealing with the protest of Walter E. Meyer, who intervened in opposition to the application, the commission rejected, among others, Mr. Meyer's contention that the procedure adopted for termination of the bankruptcy proceeding "is not in accordance with the legislative intent and is without merit." "In our opinion," the commission said, "the present application under section 20a of the Interstate Commerce Act is properly before us for appropriate disposition by us." Also rejected was Mr. Meyer's request for the imposition of a condition requiring the S.P. to lease the Cotton Belt properties.

Figures before the commission indicated that upon consummation of the program for termination of the bankruptcy proceeding, the Cotton Belt's capitalization, including preferred and common stocks presently outstanding, will be reduced from \$104,018,845 to \$92,881,950, and annual fixed charges will be reduced from approximately \$3,133,144 to \$2,050,529.

ST. LOUIS SOUTHWESTERN.—*Reorganization Expenses*.—Division 4 of the Interstate Commerce Commission has approved maximum limits of allowances for compensation and expenses in connection with this road's reorganization from June 15, 1942, to January 15, 1947. The total approved is \$198,420 on claims amounting to \$435,866. The 25 allowances approved include the following:

Claimant	Amount Claimed	Maximum Fixed
Walter E. Meyer, stockholder and chairman of a stockholders' committee	\$134,000	\$45,063
Mudge, Stern, Williams & Tucker, counsel for the Chase National Bank and the Mississippi Valley Trust Company	33,500	20,000
Chadbourne, Hunt, Jaekel & Brown, counsel for the Chemical Bank & Trust Co.	15,500	12,500
Alexander & Green, attorneys for the Bankers Trust Company	17,500	10,000
Guaranty Trust Company	14,358	9,858
James Piper and Piper, Watkins, Avirett & Edgerton, counsel for the E. S. Glines committee	9,658	9,658
Harry Hoffman, attorney and counsel for foreign bondholders	12,705	8,205
Chemical Bank & Trust Co., as successor trustee under the general and refunding mortgage	8,173	8,173
Claude O. Pearcy, special counsel for the Southern Pacific	10,931	6,790

The Chase National Bank was the owner of a secured note of the debtor; the

Guaranty Trust Company was corporate trustee under the first terminal and unifying bonds; and the Bankers Trust Company was trustee under the second mortgage of the St. Louis Southwestern, the St. Louis Southwestern of Texas and the Tyler Southeastern.

## Average Prices Stocks and Bonds

	July 8	Last week	Last year
Average prices of 20 representative railway stocks	48.28	46.70	64.37
Average prices of 20 representative railway bonds	89.21	88.27	98.90

## Dividends Declared

Augusta & Savannah.—\$2.50, semi-annually, payable July 1 to holders of record June 17.

Lake Superior & Ishpeming.—25c, payable June 30 to holders of record June 25.

Mine Creek & Mine Hill Navigation.—\$1.25, semi-annually, payable July 10 to holders of record June 27.

Mount Carbon & Port Carbon.—\$1.25, semi-annually, payable July 10 to holders of record June 27.

Paterson & Hudson.—\$1.37½, semi-annually, payable July 15 to holders of record July 5.

South Western.—\$2.50, semi-annually, payable July 1 to holders of record June 14.

## Car Service

Third Revised Service Order No. 244, issued by the I. C. C. with a July 7 effective date, superseded previous revisions and amendments of that order which prescribes rules for the distribution of grain cars at country loading points in periods of car shortage. Provisions of the superseding order are substantially the same as those previously in effect, except that the advice to be given carriers by shippers under paragraph (b) (i) with respect to grain on hand is now to cover that "on hand available for tender by rail shipment the following day." Also under paragraph (c) the basis for distribution of available cars is to be governed by whichever is the least of: (1) The number of cars ordered; (2) the quantity of grain on hand for immediate shipment as reported in accordance with paragraph (b) (i); or (3) the number of cars which can be actually loaded per day. The expiration date of the order remains December 31.

I. C. C. Service Order No. 624, which maintains the permit system and car-supply priorities on export grain moving through North Atlantic ports, has been modified by Amendment No. 7 which names Homer C. King, director of the I. C. C. Bureau of Service, as commission agent under the order. Mr. King succeeds Paul B. Christian in that role.

The O. D. T. has further postponed from June 30 until "further order" the expiration dates of General Permits ODT-1, Revised 10, and Revised 11, which relax the minimum-loading requirements of General Order ODT-1. Under the first permit, the order's minimum-loading requirements are waived as to westbound and southbound l. c. l. cars from Official territory east of the Indiana-Illinois line, but not including any point within the Chicago switching district; under the second, eastbound l. c. l. cars may be forwarded from the same territory, but including the Chi-

cago switching district, when consigned to any one destination with a minimum of 7½ tons per car. The permits are designed to aid in relieving freight congestion.

## Abandonments

ATCHISON, TOPEKA & SANTA FE.—Division 4 of the Interstate Commerce Commission has authorized this road to abandon its line from a point near Rockvale, Colo., to a point near Kenwood, 4.5 miles. The applicant has agreed to sell the segment for the net salvage value of \$3,200 plus \$200 as the value of the right-of-way to W. D. Corley, Jr., operator of coal mines in the area. No traffic has moved over the line since 1932, when heavy rains severely damaged the roadbed and several bridges. The Santa Fe estimated in 1946 that it would cost approximately \$60,232 to rehabilitate the line for resumption of operation.

COLORADO & SOUTHERN.—Division 4 of the Interstate Commerce Commission has authorized this road to abandon its line from Coalton, Colo., to Superior, 3.5 miles. The report noted that the volume of traffic furnished is insufficient to pay the normal costs of maintenance and operation of the line, which has been used principally for the transpiration of coal.

FEATHER RIVER.—This road has applied to the Interstate Commerce Commission for authority to abandon its line from Feather Falls, Calif., to Ward, 10 miles.

LOUISVILLE & NASHVILLE.—Division 4 of the Interstate Commerce Commission has authorized this road to abandon its so-called Long Branch Spur of the Pine Mountain Railroad-West, extending 2½ miles from Nevisdale, Ky., to Packard.

OAHU RAILWAY & LAND.—Division 4 of the Interstate Commerce Commission has authorized this road to abandon that portion of its narrow-gauge line from Moanalua, Hawaii, to Kahuku, approximately 68.4 miles; its Wahluwa branch, extending 10.3 miles from Waipahu to Wahiawa; and its Schofield branch, extending 2.5 miles from Schofield Junction to Schofield Yard. All segments are located on the Island of Oahu. The remainder of the applicant's line will consist of approximately 2 miles of main line at Honolulu, including yard and switching facilities and tracks connecting piers with several industries. The service will be limited to freight transportation.

The commission's report said that the principal shippers on the portion of the line to be abandoned will divert their traffic to motor carriers in the near future and "are unwilling to use the rail facilities beyond the end of 1947." "With a loss of more than 50 per cent of the traffic moving in a normal year, continued operation is unwarranted," the commission said. "There is no other traffic available or in prospect to substitute for that which will be lost." The abandonment will become effective December 31, although the Navy Department has contracted with the applicant to lease certain portions of the line required for naval operation after that date.



**OREGON PACIFIC & EASTERN.**—Division 4 of the Interstate Commerce Commission has authorized this road to abandon an 8-mile line in Lane county, Ore., which will be submerged following the completion of a flood-control dam now being constructed by the federal government. At the same time, the commission has authorized this road to acquire from the government a 7.1-mile line between the same points, constructed on higher ground.

**SOUTHERN PACIFIC.**—Division 4 of the Interstate Commerce Commission has authorized this road to abandon a line from a point near Wigrich Junction, Ore., to Wigrich, 2.5 miles.

**TEXAS & PACIFIC.**—At this road's request, Division 4 of the Interstate Commerce Commission has dismissed a petition filed March 10 by the Railway Labor Executives Association for reconsideration and the imposition of protection conditions for employees affected by its abandonment in the Finance Docket No. 13319 proceeding. As noted in *Railway Age*, April 26, page 873, the commission had extended until June 1 its reservation of jurisdiction for the protection of employees in this proceeding.

## Railway Officers

### EXECUTIVE

**Carleton W. Meyer** has been appointed assistant to the president of the Chesapeake & Ohio, with headquarters at Cleveland, Ohio. Born at Madison, Wis., on August 27, 1903, Mr. Meyer attended McKinley Technical High school in Wash-



Carleton W. Meyer

ington, D. C., and was graduated from the University of Wisconsin in 1924 with an A.B. degree. He received his LL.B. degree from Harvard Law School in 1927 and practiced law in Washington, D. C., for a year and a half. From 1929 to 1931 Mr. Meyer served as attorney for the Cambria & Indiana, J. H. Weaver & Co. and associated companies in Philadelphia, Pa. He was attorney for the

Delaware & Hudson from 1931 to 1936 and served as commerce counsel for the New York Central system at New York between 1936 and August, 1940, when he became assistant to president of the New York Central, at New York. He held the latter position until August, 1946, when he left the Central to become vice-president of American Buslines at Chicago.

**H. F. Wolff** has been appointed office assistant to vice-president and general manager of the New York Central lines Buffalo and East, at New York.

**Dr. Charles E. Lawall**, whose appointment as assistant vice-president-coal traffic and development of the Chesapeake & Ohio at Huntington, W. Va., was reported in *Railway Age* of June 28, was born at Catasauqua, Pa. Following his graduation from Lehigh University in 1914, Dr. Lawall accepted a position as testing engineer for the Pittsburgh Testing Laboratory. During the period 1915 to 1918 he served as chemist for the New Jersey Zinc Company, Palmerton, Pa.; as mining engineer in the firm of Peal, Peacock & Kerr, St. Benedict, Pa.; in the metallurgy department of the General Motors Corporation, Detroit, Mich.; and as mining and



Dr. Charles E. Lawall

research engineer, Bethlehem Steel Company, Bethlehem, Pa. After service in the U. S. Army in France in 1918 and 1919, he returned to Bethlehem as research engineer. Dr. Lawall went with the Chesapeake & Ohio after seven years as president of West Virginia University. Dr. Lawall was engineer of coal properties of the C. & O. at the time of his recent promotion to assistant vice-president—coal traffic and development. He has served as chairman of the Coal Division of the American Institute of Mining Engineers, and was secretary of the West Virginia Coal Mining Institute 10 years and president for one year.

### FINANCIAL, LEGAL AND ACCOUNTING

**J. T. Stephenson**, whose promotion to auditor of the Missouri-Kansas-Texas, with headquarters at St. Louis, Mo., was reported in the *Railway Age* of June 14, was born at St. Louis on February 3,

1899, and received his higher education at Washington University in that city. He entered the service of the M.-K.-T. on May 16, 1913, as a clerk and timekeeper at Parsons, Kan., and served in clerical



J. T. Stephenson

capacities at points in Kansas, Texas, and Oklahoma until May 16, 1921, when he was appointed shop accountant at Denison, Tex. On August 16, 1926, he was transferred to Parsons in the same capacity, and he became traveling auditor at St. Louis on November 6, 1933. Mr. Stephenson was promoted to assistant auditor at Parsons on August 10, 1942, and on July 25, 1945, he was transferred to St. Louis in the same capacity, the position he held at the time of his recent promotion.

**M. C. Peterson**, chief clerk and assistant cashier of the Chicago, Indianapolis & Louisville at Chicago, has been appointed assistant secretary and assistant treasurer, with the same headquarters.

**Robert J. Lascelles**, treasurer of the Pullman Company, has been elected also secretary.

**Strother Hynes**, assistant general solicitor of the Chesapeake & Ohio at Richmond, Va., has been appointed general attorney, with the same headquarters, succeeding **David H. Leake**, retired.

**John V. McHugh** has been appointed insurance manager of the Chesapeake & Ohio and the New York, Chicago & St. Louis, with headquarters at Cleveland, Ohio, succeeding **W. H. Van Vliet**, who has retired after nearly 38 years of service.

**R. R. Bongartz** and **T. K. Warner, Jr.**, assistant general solicitors of the Pennsylvania, have been promoted to assistant general counsel, with headquarters as before at Philadelphia, Pa. **W. R. Bready III** and **F. E. Murphy**, assistant solicitors, have been advanced to assistant general solicitors, with headquarters at Philadelphia.

**F. E. Montgomery** has been appointed auditor of the Mississippi Central, with headquarters at Hattiesburg, Miss., succeeding **C. Ehlers**, who has retired after 49 years of railroad service.

**H. D. Barnes**, assistant comptroller of the Chicago & North Western, at Chicago, has been promoted to comptroller,

with the same headquarters, succeeding **C. H. Westbrook**, who has retired. **J. A. Wood**, auditor of capital expenditures, has been promoted to assistant comptroller, succeeding Mr. Barnes. **E. Moad**, assistant auditor of disbursements, has been promoted to auditor of disbursements, succeeding **W. R. Kettenring**, who has retired. **W. G. Burns**, chief clerk, accounting department, succeeds Mr. Moad as assistant auditor of disbursements. **C. H. O'Hearn**, auditor of disbursements of the Chicago, St. Paul, Minneapolis & Omaha (part of the North Western system), at St. Paul, Minn., has been appointed auditor of capital expenditures, replacing Mr. Wood. **R. M. Hailey**, cost engineer in the office of the auditor of capital expenditures, has been promoted to assistant auditor of capital expenditures. All have headquarters at Chicago.

**E. W. Runge**, whose appointment as auditor of disbursements of the Missouri Pacific, with headquarters at St. Louis, Mo., was reported in the *Railway Age* of May 31, was born at St. Louis, Mo., on January 28, 1897, entered the service of the Missouri Pacific on January 2, 1914, and served in various clerical capacities



**E. W. Runge**

until he entered the armed forces. Mr. Runge was promoted to traveling accountant in September, 1920, and to traveling auditor in 1928. In June, 1935, he was appointed assistant chief joint facility examiner, and served in that capacity until May, 1945, when he was promoted to chief joint facility examiner. In February, 1946, he was advanced to assistant auditor of disbursements, the position he held at the time of his recent promotion.

## OPERATING

**J. F. Wilcox** has been appointed trainmaster of the Buffalo division of the New York Central. **R. L. Sahm** has been appointed trainmaster of the Electric, Harlem and Putnam divisions. **R. J. Barnes** has been appointed trainmaster of the Pennsylvania division.

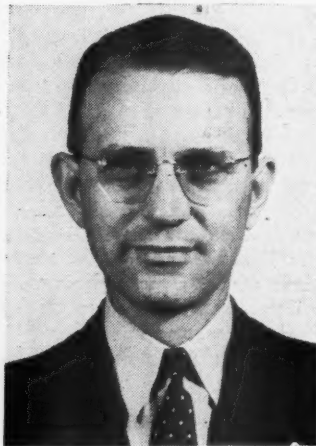
**F. B. Noonan** has been appointed acting trainmaster of the Illinois Central, at Carbondale, Ill., succeeding **E. C. Harper**, who has been granted a leave of absence on account of illness.

**H. J. Bowman** has been appointed

trainmaster of the East St. Louis terminal of the Illinois Central, with headquarters at East St. Louis, Ill., succeeding **J. A. Griffin**, deceased.

**J. U. Brazeau**, chief dispatcher of the Canadian Pacific at Smiths Falls, Ont., has been promoted to assistant superintendent at Ottawa, Ont., succeeding **J. W. Stewart**, transferred.

**O. K. Lawson**, whose appointment as superintendent of terminals of the Chesapeake & Ohio, with headquarters at Walbridge, Ohio, was reported in the *Railway Age* of May 31, was born in Graves county, Ky., on January 16, 1901, and was gradu-



**O. K. Lawson**

ated in 1928 by the University of Kentucky with the degree B. S. in C. E. He entered railroad service on June 4, 1928, as a section laborer in the maintenance of way department of the C. & O., became a rodman on March 18, 1929, and was appointed assistant cost engineer on February 1, 1930. On September 26, 1937, Mr. Lawson was appointed yardmaster at Handley, W. Va., and served in that capacity until March 1, 1939, when he became assistant terminal trainmaster at Walbridge. He was promoted to terminal trainmaster on May 1, 1942, and on February 1, 1946, he was advanced to assistant chief of personnel, with headquarters at Richmond, Va., the position he held at the time of his recent appointment.

**J. W. Mode**, whose retirement as superintendent of the Amarillo division of the Fort Worth & Denver City (part of the Burlington system), with headquarters at Amarillo, Tex., was reported in *Railway Age* of July 5, was born at Alvord, Tex., and entered the service of the Fort Worth & Denver City on December 13, 1901, as a brakeman. He was promoted to conductor in 1905, and to trainmaster on August 17, 1919, with headquarters at Wichita Falls, Tex. On January 1, 1923, Mr. Mode was appointed assistant superintendent at Amarillo, and on May 1, 1926, he was advanced to superintendent, the position he held at the time of his retirement.

**Charles E. Brenternitz**, whose appointment as superintendent of the Wyoming division of the Union Pacific, with headquarters at Cheyenne, Wyo., was reported in the *Railway Age* of June 28, was

born at North Platte, Neb., on February 15, 1909, and entered the service of the Union Pacific as a crew caller in 1926. He became a clerk on April 16, 1929, assistant to general yardmaster on January 11, 1930, and yardmaster on February 20, 1930. Mr. Brenternitz was promoted to general yardmaster on July 11, 1941, and on October 31, 1943, he was named terminal trainmaster. Released from the armed forces after two years of service, he returned to the Union Pacific on August 1, 1946, as assistant superintendent, with headquarters at Laramie, Wyo., the position he held at the time of his recent promotion.

**Charles J. Larkin**, whose retirement as superintendent of the Lake Shore division of the Chicago & North Western, with headquarters at Green Bay, Wis., was reported in *Railway Age* of July 5, was born at Belle Plaine, Iowa, on May 5, 1880, entered railroad service in April, 1899, with the North Western, at Gowrie, Iowa, and thereafter served as telegraph operator and station agent, train dispatcher and relief agent at various points until 1912, when he was appointed chief train dispatcher, Galena division, at Chicago. In 1917 Mr. Larkin was appointed trainmaster on the Galena division, and served later in that capacity at Eagle Grove, Iowa, and Mason City. He was promoted to assistant superintendent at Adams, Wis., in 1929, and transferred to Green Bay in 1932. On October 1, 1939, he was advanced to division superintendent, at Green Bay, the position he held at the time of his retirement.

## TRAFFIC

**W. H. Lamphere** has been appointed assistant director of the department of agricultural and mineral development of the Great Northern, with headquarters at St. Paul, Minn.

**Richard A. Stanley**, general foreign freight agent of the Louisville & Nashville at Louisville, Ky., has been appointed general passenger agent, with headquarters at New Orleans, La., succeeding **W. G. Whitsett**, appointed as assistant to the vice-president, traffic, at Louisville.

**C. C. Burns**, district passenger agent of the Chicago, Milwaukee, St. Paul & Pacific at Washington, D. C., has been appointed assistant general agent, passenger department, at New York, a newly-created position. **M. L. Metzger**, city passenger agent at Milwaukee, Wis., succeeds Mr. Burns as district passenger agent at Washington.

**J. Edward Best**, freight traffic representative of the Seaboard Air Line at Palmetto, Fla., has retired from active duty after 40 years of railroad service, 27 of which have been with the Seaboard Air Line. Mr. Best had occupied the post of district freight agent until a year ago when considerations of health compelled him to request lighter duties.

**J. R. Getty**, whose promotion to assistant to the passenger traffic manager of the Seaboard Air Line at Norfolk, Va., was



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reported in the *Railway Age* of May 31, was born at Philadelphia, Pa. Mr. Getty entered the transportation field in the latter city as tourist agent with the American Express Company after graduation from the University of Pennsylvania. In 1936 he became ticket seller for the Pennsylvania at Wilmington, Del., and remained there until



J. R. Getty

he accepted a position as traveling passenger agent in the Philadelphia office of the Seaboard Air Line in December, 1937. In 1940 he was promoted to district passenger agent in the same office and in the following year transferred to Miami, Fla. In 1943 he was appointed general passenger agent at Miami, the position he held until his recent promotion to assistant to the passenger traffic manager.

**E. E. Barry**, assistant passenger traffic manager of the Southern at Washington, D. C., has been promoted to passenger traffic manager at Atlanta, Ga., succeeding the late **E. N. Aiken**. **G. M. Lawrence**, general passenger agent, has been promoted to assistant passenger traffic manager, with headquarters as before at Atlanta. **Emory S. Clements**, assistant general passenger agent, has been promoted to assistant passenger traffic manager, with headquarters as before at Atlanta. **R. H. Hamilton**, assistant general passenger agent, has been promoted to general passenger agent, with headquarters as before at Atlanta. **J. A. Edwards**, assistant passenger traffic manager at Cincinnati, Ohio, has been promoted to the newly-created position of passenger traffic manager, with the same headquarters. **W. M. McCullough**, assistant general passenger agent at Philadelphia, Pa., has been promoted to assistant passenger traffic manager at Washington, succeeding **C. T. Hunt**, who replaces Mr. Barry, with the same title and headquarters as before. **R. A. Matheson**, division passenger agent at Washington, has been promoted to assistant general passenger agent at Philadelphia, succeeding Mr. McCullough. **R. H. Lawrence**, district passenger agent at Greenville, S. C., has been promoted to division passenger agent at Jacksonville, Fla., to succeed **N. B. Ballinger**, who has been transferred to Washington to succeed Mr. Matheson. **E. B. Howes**, district passenger agent at Kansas City, Mo., has been promoted to New England passenger

agent at Boston, Mass., succeeding **John R. Ford**, who has been promoted to division passenger agent at Greenville, to succeed Mr. Lawrence. **W. Q. Walpole**, district passenger agent at Anniston, Ala., has been transferred to Kansas City, Mo., to succeed Mr. Howes.

**Herman Talmadge Denning**, whose appointment as general passenger agent of the Seaboard Air Line at New York was reported in the *Railway Age* of May 31, was born at Benson, N. C., on February 14, 1900. Mr. Denning entered railroad service on September 15, 1920, with the Seaboard Air Line as stenographer-clerk in the passenger department at Richmond, Va., subsequently going with the Canadian Pacific as traveling passenger agent at Atlanta, Ga. From September 15, 1925, to January 15, 1927, he was in the real estate business in St. Petersburg, Fla., re-entering the service of the Seaboard Air Line on the latter date as assistant city ticket agent. On September 15, 1930, Mr. Denning was pro-



Herman Talmadge Denning

moted to city passenger and ticket agent at Jacksonville, also serving as traveling passenger agent at Jacksonville and Lake Wales, Fla., during early 1932. He was promoted to district passenger agent at Birmingham, Ala., on June 1, 1935, being advanced to division passenger agent there in 1944. On July 1, 1946, Mr. Denning became assistant general passenger agent at Birmingham, which position he held at the time of his recent promotion to general passenger agent. During assignment in Birmingham, Mr. Denning spent three winter seasons of five months each as passenger department office manager at Miami, Fla., and one season at Clearwater, Fla., in a similar position.

**A. J. Weger** has been appointed manager of mail, baggage and express of the Chicago & North Western at Chicago, succeeding **D. R. Hickok**, who has retired.

**R. J. Steiner**, assistant general passenger agent of the Chicago, St. Paul, Minneapolis & Omaha, (part of the Chicago & North Western system), at St. Paul, Min., has been appointed general passenger agent, with the same headquarters, where he assumes the Omaha duties of **E. L. Pardee**, whose retirement as passenger traffic manager of the North Western at

Chicago, was reported in *Railway Age* of July 5.

**R. F. Kelaher**, general agent of the Chicago, Milwaukee, St. Paul & Pacific at Boston, Mass., has been transferred to New York in the same capacity, a newly-created position.

**H. D. Wilkerson**, whose retirement as assistant freight traffic manager of the Norfolk & Western at Columbus, Ohio, was reported in *Railway Age* of July 5, was born at Prospect, Va., on June 28, 1877, and entered railroad service in 1898 as a stenographer-clerk with the N. & W. at Richmond, Va. He was appointed commercial agent at Pittsburgh, Pa., on March 15, 1908, and general agent at the same place on May 15, 1932. On April 1, 1934, Mr. Wilkerson was promoted to assistant general freight agent at Columbus, and five years later he became general freight agent with the same headquarters. On November 1, 1945, he was advanced to assistant freight traffic manager at Columbus, the position he held at the time of his retirement.

**Leon H. Doty** has been appointed eastern traffic manager of the Akron, Canton & Youngstown, with headquarters at New York. **George C. Heidish** has been appointed assistant to general traffic manager, with headquarters at Akron, Ohio. **William E. Washer** has been appointed district traffic manager at Akron. **Robert J. McMillan** and **E. L. Walker** have been appointed assistant general freight agent at Akron. **Greg C. Gormaly** has been appointed general western agent at Chicago.

**H. L. Pigott**, assistant general passenger agent of the Wabash at Detroit, Mich., has been promoted to general passenger agent, with the same headquarters, a newly created position.

**E. J. Merkel**, general western freight agent of the Norfolk & Western, at Chicago, has been appointed general freight agent, at Columbus, Ohio, succeeding **H. D. Wilkerson**, assistant freight traffic manager, who has retired. **E. F. Stone**, general agent at Jacksonville, Fla., succeeds Mr. Merkel as general western freight agent, at Chicago.

**Earl Brown**, assistant general freight agent of the Southern at Birmingham, Ala., has been transferred to Washington, D. C., succeeding **R. Stanley Souther**, who has been appointed general agent, freight and passenger departments, at Pittsburgh, Pa. Mr. Souther succeeds **Walter H. Beard**, who has been appointed general western freight agent at Chicago, to succeed **L. P. Hungerford**, whose death on June 20 was reported in *Railway Age* of June 28. **Charles Kluber**, commercial agent at Chicago, has been promoted to district freight agent there, succeeding **T. J. Bonfield**, who has retired.

**E. J. Cotton**, general freight agent—sales and service, of the Louisville & Nashville, has been appointed general freight agent; **J. R. Barry**, assistant general freight agent, has been appointed general freight agent—sales and service;

**C. D. Quinn**, general freight agent, has retired; **J. S. Thompson**, assistant to the freight traffic manager, has been appointed general foreign freight agent; **F. A. Weber**, assistant general freight agent, has been appointed assistant to the freight traffic manager; **E. S. Bowman**, general agent, has been appointed assistant general freight agent, sales and service; **W. M. Breidenthal**, chief clerk, general traffic department, has been appointed assistant general freight agent; and **K. G. Scott**, commercial agent at Cincinnati, Ohio, has been appointed general agent. All have headquarters at Louisville, Ky.

**R. E. Smith**, general freight agent of the Northern Pacific at St. Paul, Minn., has been appointed general freight traffic manager in charge of rates, with the same headquarters, succeeding **J. G. Morrison**, who has been granted a leave of absence to engage in traffic association work. **P. A. Walsh**, assistant to the vice-president, succeeds Mr. Smith as general freight agent. **A. P. Mootz**, assistant general freight agent, succeeds Mr. Walsh as assistant to the vice-president. **J. J. O'Connor**, assistant general freight agent, succeeds Mr. Mootz.

**Wayne Young**, general agent of the St. Louis-San Francisco at Atlanta, Ga., has been promoted to freight traffic manager in charge of sales and service, with headquarters at St. Louis, Mo. **J. W. Tipton**, general agent, at Little Rock, Ark., succeeds Mr. Young as general agent at Atlanta.

**H. L. Holmes** has been appointed general agent, freight department, of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Seattle, Wash., succeeding **L. J. Kidd**, whose appointment as assistant to the western traffic manager, at Seattle, was reported in *Railway Age* of July 5.

## ENGINEERING & SIGNALING

**W. G. Salmonson**, engineer of telegraph and signals of the Western region of the Pennsylvania at Chicago, has been appointed superintendent of telegraph and signals of the New York zone, succeeding **J. S. Gensheimer**, who has been granted a leave of absence.

**N. M. Kelly**, division engineer of the Canadian Pacific at Farnham, Que., has been transferred to Montreal, Que., succeeding **W. B. Harper**, retired.

**Donald E. Rudisill**, whose appointment as chief engineer of maintenance of way of the New York zone of the Pennsylvania at New York was reported in the *Railway Age* of June 7, was born at Mount Carmel, Pa. Mr. Rudisill received his civil engineering degree from Gettysburg College, Gettysburg, Pa., in 1922. He has served on various divisions of the Pennsylvania since he first entered its service during the summer vacation of 1918 as a laborer in the Altoona car shops. From October 1, 1940, to April 16, 1942, he was division engineer of the New York division, with headquarters at Jersey City, N. J., then becoming engineer of maintenance of way of the

Western Pennsylvania division at Pittsburgh, Pa., which position he was holding at the time of his recent appointment as



Donald E. Rudisill

chief engineer of maintenance of way of the New York zone.

**Frank Lee Nicholson**, whose retirement as chief engineer of the Norfolk Southern at Norfolk, Va., was reported in the *Railway Age* of June 14, was born at Portsmouth, Va., on August 12, 1868. Mr. Nicholson entered railroad service in 1887 as rodman with the Atlantic & Danville (now the Danville division of the Southern), serving until 1889 as chainman, levelman and office assistant to chief engineer on location surveys. From 1889 to 1890, he served successively as levelman and resident engineer on construction of the Wilmington (N. C.) terminal and on what



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Frank Lee Nicholson

is now the New Bern branch of the Atlantic Coast Line. From January to June, 1890, Mr. Nicholson was in private practice, then becoming assistant engineer maintenance of way of the Norfolk Southern until 1892, when he was appointed acting engineer maintenance of way. From 1898 to 1909 Mr. Nicholson served as engineer maintenance of way of the Norfolk Southern, becoming chief engineer in 1909, which position he held until his retirement. In addition, Mr. Nicholson had been in charge of valuation of the Norfolk Southern and allied properties from 1914

until his retirement. He was chief engineer of the Raleigh, Charlotte & Southern from 1912 until the road was purchased by the Norfolk Southern. From July to December, 1918, he was consulting engineer and from 1918 to 1919, chief engineer of the Virginian.

## MECHANICAL

**W. D. Friend**, general mechanical inspector of the Missouri Pacific at Houston, Tex., has been appointed general mechanical inspector, with headquarters at St. Louis, Mo., succeeding **William Martin**, who has retired after 58 years of railroad service.

**W. J. Suber**, assistant master mechanic of the Seaboard Air Line at Americus, Ga., has been promoted to master mechanic of the Alabama division, with the same headquarters.

**R. Bailey** has been appointed division master mechanic of the Canadian Pacific at Montreal, Que., succeeding **L. N. Winslade**, whose appointment as district master mechanic at Montreal was reported in *Railway Age* of July 5.

**C. L. Hall** and **L. H. Rice** have been appointed general supervisors Diesel locomotive maintenance of the New York Central system, with headquarters at New York. The positions of assistant supervisor Diesel locomotive maintenance have been abolished.

**Arthur E. Rice**, whose appointment as chief mechanical officer of the Denver & Rio Grande Western, with headquarters at Denver, Colo., was reported in the *Railway Age* of June 21, was born at Denver on October 7, 1889, and entered the service of the D. & R. G. W. on June 10, 1907, as a machinist apprentice at Denver. He became a machinist in 1912, a gang foreman in 1918, a general erecting foreman on January 1, 1919, and an assistant mechanical inspector on June 1, 1919, all with headquarters at Denver. Mr. Rice was promoted to general foreman at Pueblo, Colo., on



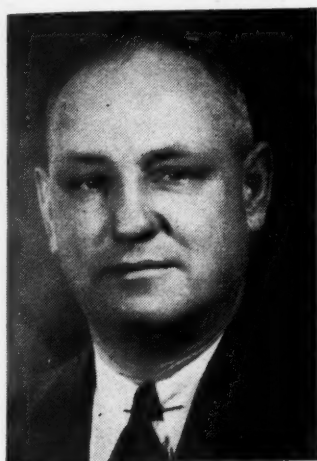
Arthur E. Rice

August 7, 1919, to acting master mechanic at the same place on September 12, 1922, and to master mechanic at Salida, Colo., on January 15, 1923. Six months later he was named general mechanical inspector at Salt Lake City, Utah, and in October



1923, he returned to Salida as general foreman. On June 1, 1926, he was appointed master mechanic at Alamosa, Colo., whence, on September 10, 1928, he was transferred to Denver, where he served until April 16, 1942, when he was promoted to assistant superintendent at Pueblo. On October 1, 1942, he was advanced to assistant to the chief mechanical officer at Denver, the position he held at the time of his recent promotion.

**Peter Joseph Johnson**, whose appointment as assistant superintendent motive power of the Eastern lines of the Canadian Pacific at Toronto, Ont., was reported in *Railway Age* of July 5, was born at Richmond, Que., on October 19, 1892. Mr. Johnson joined the Canadian Pacific in 1906 in the car department at White River, Ont. He became shop foreman in 1918, serving at Chisleau, Ont.; Angus, Que.; Schreiber, Ont.; Winnipeg, Man.; and



**Peter Joseph Johnson**

Brownville Junction, Me. In 1930 Mr. Johnson was appointed general foreman and served successively at McAdam, N. B.; Ottawa, Ont.; Farnham, Que.; Toronto; and North Bay, Ont. He was appointed division master mechanic of the Trenton division in 1932 and served successively at London, Ont., Farnham, and the Montreal terminals. Mr. Johnson was appointed district master mechanic of the Quebec district at Montreal on October 1, 1945, which position he held until July 1, when he was appointed assistant superintendent motive power of the Eastern lines at Toronto.

**A. T. Miller**, assistant superintendent motive power and master mechanic of the Atlanta & West Point, the Western of Alabama, the Georgia and the Atlanta Joint Terminals, has been promoted to superintendent motive power of these roads, with headquarters at Atlanta, Ga., succeeding **F. O. Walsh**, who has retired at his own request after 45 years of service. **A. E. Edwards** has been appointed master mechanic of the Atlanta & West Point and the Western of Alabama, with headquarters at Montgomery, Ala. The title of assistant superintendent motive power has been abolished. Mr. Walsh was born at Memphis, Tenn., on March 5, 1873, and entered railroad service in June, 1888, with the Louisville & Nashville,

serving until March, 1893, as machinist apprentice and machinist. Mr. Walsh then became fireman and engineer, successively, for the Louisville & Nashville and from August, 1895, to November, 1899, he served as general foreman and master mechanic of that road. On the latter date he went with the Western of Alabama as master mechanic. He became chief mechanical officer of the Brazil railroad at Sao Paulo, Brazil, in March, 1911, holding that position until March, 1914, when he became superintendent motive power and equipment of the Georgia railroad. From February to July, 1919, Mr. Walsh was valuation engineer of the Atlantic Coast Line, and from July, 1919, to March, 1920, he engaged in valuation work for the Atlanta & West Point, the Western of Alabama and the Georgia. He was appointed superintendent motive power of the latter roads in March, 1920, which position he held until his retirement.

## PURCHASES AND STORES

**G. H. Walder**, purchasing agent of the Chicago, Milwaukee, St. Paul & Pacific at Chicago, has been appointed chief purchasing officer, with the same headquarters, succeeding **D. C. Curtis**, who has retired after 27 years of service with the road.

## SPECIAL

**R. J. Maxwell**, advertising manager of the Missouri Pacific at St. Louis, Mo., has been promoted to director of publicity and advertising, with the same headquarters, succeeding **J. F. Rector**, whose appointment as director, convention and tour department, was reported in *Railway Age* of April 5.

**Raymond F. Blosser**, an account executive with Verne Burnett, public relations counsel at New York, has been appointed manager of the press bureau of the New York Central at New York, suc-



**Raymond F. Blosser**

ceeding **Chester W. Y. Currie**, publicity manager since 1928, who is now on leave of absence for reasons of health. Upon his return, Mr. Currie will devote his major attention to his duties as editor of the "Central Headlight," the company's employee publication. **Henry Doherty**,

assistant to the publicity manager, has been appointed assistant to the manager of the press bureau. Mr. Blosser was born at Dayton, Ohio, where he started newspaper work with the Dayton News. Mr. Blosser subsequently served as director of information for the Jersey Central; head of the Associated Press' Cleveland bureau; telegraph editor of the Sandusky (Ohio) Register, and as chief announcer of WSMK (now WING), Dayton, Ohio.

## OBITUARY

**H. E. Watkins**, general agent of the Great Northern, with headquarters at Toronto, Ont., died in that city on July 2.

**L. P. Hungerford**, general western freight agent of the Southern, at Chicago, whose death on June 20, at Hinsdale, Ill., was reported in the *Railway Age* of June 28, was born at Cairo, Ill., on August 4, 1901, and received his higher education at Princeton University. He entered the service of the Southern on June 28, 1923, as a clerk at Greenville, S. C., and became rate clerk at Columbia, S. C., on October 1, 1925. On January 15, 1928, he was appointed freight traffic representative and served in that capacity at Macon, Ga., Jacksonville, Fla., and Greenville until January 1, 1936, when he was promoted to division freight agent at Winston-Salem, N. C. Mr. Hungerford was named general freight agent at Atlanta, Ga., on August 1, 1937, and on February 1, 1940, he was appointed general agent at Philadelphia, Pa. On January 1, 1945 he was advanced to general western freight agent at Chicago, the position he held at the time of his death.

**Edwin Norton Aiken**, passenger traffic manager of the Southern at Atlanta, Ga., died recently. Mr. Aiken was born at Cincinnati, Ohio, on October 8, 1877, and entered railroad service on March 1, 1896, as stenographer in the general passenger department of the New York Central & Hudson River (now New York Central) at New York, subsequently becoming rate and division clerk in that department. In August, 1902, Mr. Aiken became rate and division clerk in the general passenger department of the Cincinnati, New Orleans & Texas Pacific and the Alabama Great Southern (both parts of the Southern system) at Cincinnati. He then served as traveling passenger agent at Lexington, Ky., and northeastern passenger agent of the C. N. O. & T. P. In 1908 he was appointed chief rate clerk of the latter road and the Alabama Great Southern at Cincinnati and in November, 1912, he became assistant general passenger agent of those roads. Mr. Aiken was appointed general passenger agent of the Southern at Cincinnati in January, 1917, transferring to Washington, D. C., in July, 1926. Two years later he became general passenger and ticket agent at Atlanta and in April, 1931, he was appointed assistant passenger traffic manager at Atlanta. Mr. Aiken held the latter position until May 1, 1945, when he was promoted to passenger traffic manager at Atlanta, which position he held at the time of his death.

# REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1947

Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation	Net railway operating income	
		Freight	Passenger	Total (inc. misc.)	Way and structures	Maintenance of equipment	Traffic			Railway tax accruals	1947
Akron, Canton & Youngstown	May	\$411,504	\$100	\$435,503	\$69,396	\$44,160	\$26,222	69.0	\$134,822	\$54,266	\$64,389
Alton	5 mos.	2,090,496	382	2,192,625	341,409	203,894	120,513	65.2	763,097	303,468	379,858
Alton	May	1,939,809	574	2,840,665	443,973	235,102	129,184	69.4	869,770	192,112	458,961
Atchison, Topeka & Santa Fe System	May	9,044,462	2,113,730	12,869,701	2,047,151	1,975,992	391,766	76.6	3,011,234	963,933	1,072,757
Atlanta & St. Andrews Bay	May	27,363,038	4,854,411	35,360,315	5,660,333	7,090,161	815,931	78.4	7,635,735	4,558,580	3,237,099
Atlanta & St. Andrews Bay	5 mos.	136,289,314	19,576,498	171,291,397	25,758,916	33,081,596	3,926,111	76.0	41,043,063	23,763,662	18,643,738
Atlanta & West Point	May	133,792	1,169	150,440	12,916	15,894	6,035	79.19	61,397	29,922	24,349
Atlanta & West Point	5 mos.	773,923	5,314	805,190	90,470	78,666	31,435	57.87	339,229	152,270	139,651
Western of Alabama	May	268,421	42,456	349,824	51,079	51,091	13,255	83.8	56,497	20,670	7,123
Western of Alabama	5 mos.	1,332,127	219,594	1,652,992	238,245	244,939	82,470	90.7	153,806	103,568	60,995
Atlantic Coast Line	May	133	248,059	40,927	324,874	39,467	54,571	81.2	61,926	35,962	20,657
Atlantic Coast Line	5 mos.	1,213,071	245,700	1,626,986	200,707	286,589	62,138	83.4	270,353	173,549	89,247
Charleston & Western Carolina	May	8,352,331	1,600,006	10,787,740	2,448,993	1,907,438	244,781	90.4	1,039,643	800,000	26,604
Charleston & Western Carolina	5 mos.	42,553,029	10,202,659	57,626,781	11,513,281	9,428,171	1,304,057	83.7	9,395,212	4,900,000	2,979,573
Baltimore & Ohio	May	343	357,098	3,169	372,293	69,401	12,717	82.4	65,510	30,000	26,167
Baltimore & Ohio	5 mos.	1,857,687	13,670	1,925,662	336,530	337,474	64,087	78.8	408,070	155,000	215,924
Staten Island Rapid Transit	May	27,312,296	1,969,547	31,238,047	3,892,740	6,485,715	674,642	80.4	6,113,819	2,474,697	3,196,466
Staten Island Rapid Transit	5 mos.	126,283,298	9,364,497	144,157,630	17,010,603	30,994,401	3,295,322	82.4	25,449,446	10,827,660	13,052,073
Bangor & Aroostook	May	29	135,665	105,978	255,246	45,351	1,588	102.5	-6,323	41,459	-49,210
Bangor & Aroostook	5 mos.	760,434	508,175	1,323,904	226,239	180,443	8,408	97.1	38,300	205,470	-253,092
Besemer & Lake Erie	May	730,700	39,425	794,938	239,192	178,157	8,548	88.7	89,886	63,324	29,374
Besemer & Lake Erie	5 mos.	6,039,073	233,215	6,433,844	1,114,375	917,767	37,978	64.8	2,627,723	952,007	1,190,453
Boston & Maine	May	2,753,904	1,291	2,755,195	2,771,831	156,844	18,822	43.6	1,564,723	721,729	1,053,090
Boston & Maine	5 mos.	7,202,356	7,611	7,284,561	606,645	2,205,329	85,107	68.1	2,325,536	1,581,013	2,244,618
Burlington-Rock Island	May	5,062,559	1,122,867	6,954,575	1,127,370	1,077,021	114,741	77.2	1,583,614	743,839	608,276
Burlington-Rock Island	5 mos.	25,269,854	5,759,215	34,231,276	5,462,840	5,339,798	501,856	78.3	7,558,385	3,412,886	2,543,111
Cambria & Indiana	May	233,790	51,660	319,239	39,732	34,313	4,089	78.3	69,192	10,759	1,948
Canadian Pacific Lines in Maine	May	1,144,854	204,454	1,506,778	188,579	222,193	20,364	83.4	250,835	52,767	-71,481
Canadian Pacific Lines in Maine	5 mos.	149,176	149,237	15,039	92,834	459,278	647	92.49	11,212	58,940	33,546
Canadian Pacific Lines in Maine	5 mos.	866,806	687,141	65,543	459,278	37,978	3,304	98.34	11,391	28,745	188,556
Canadian Pacific Lines in Maine	5 mos.	2,559,139	28,549	324,030	64,889	375,221	7,127	103.5	-11,494	22,777	-107,589
Central of Georgia	May	140,539	13,844	172,628	50,589	29,912	33,542	68.5	892,850	129,360	329,618
Central of Georgia	5 mos.	690,530	80,734	866,950	193,182	151,403	4,915	145.7	-78,884	16,529	-138,388
Central of New Jersey	May	2,272,749	202,904	2,735,381	479,710	481,354	22,844	128.1	-24,637	79,976	-539,587
Central of New Jersey	5 mos.	11,003,349	1,203,881	13,548,182	2,338,784	2,342,789	1,292,503	91.3	239,090	245,706	-54
Central of Pennsylvania	May	2,396,077	448,248	3,100,102	412,389	474,244	52,928	85.6	4,475,512	366,298	-178,172
Central of Pennsylvania	5 mos.	11,548,065	2,150,304	14,958,087	1,964,868	2,672,656	248,764	90.5	1,418,849	1,851,494	-1,793,955
Central of Pennsylvania	5 mos.	1,457,997	20,109	1,507,151	152,025	284,572	21,538	64.8	531,119	61,767	48,608
Central of Pennsylvania	5 mos.	7,139,716	94,474	7,390,405	635,998	1,415,265	107,534	92.1	1,066,636	1,232,123	-139,639
Chesapeake & Ohio	May	662,000	55,000	788,907	137,795	130,842	12,273	81.1	149,253	53,227	51,855
Chesapeake & Ohio	5 mos.	3,223,000	346,000	3,884,515	634,983	700,163	37,163	84.4	607,162	263,412	81,454
Chesapeake & Ohio	5 mos.	21,498,409	803,122	23,353,702	2,769,048	3,650,996	595,986	64.4	8,304,368	3,922,162	4,688,267
Chicago & Eastern Illinois	May	92,857,989	3,442,929	100,102,264	13,266,042	17,638,180	2,211,122	69.0	31,022,114	16,088,920	17,978,893
Chicago & Eastern Illinois	5 mos.	1,888,558	306,681	2,438,259	328,947	437,965	81,457	81.3	457,113	213,000	127,118
Chicago & Eastern Illinois	5 mos.	7,877,713	1,501,959	11,474,185	1,551,684	2,194,942	1,006,040	86.3	1,568,429	780,000	233,012
Chicago & Eastern Illinois	5 mos.	131	704,714	4,392	89,937	116,843	191,218	60.4	2,935,257	125,394	161,426
Chicago & North Western	May	1,235,535	1,876,437	14,556,422	2,235,866	2,791,440	616,172	83.0	2,481,525	1,104,342	1,191,059
Chicago & North Western	5 mos.	8,794,530	68,616,515	10,460,009	12,485,366	13,583,106	3,586,626	86.4	9,363,377	5,417,985	2,462,564
Chicago & North Western	5 mos.	14,017,669	1,757,200	17,221,531	2,719,528	2,719,528	5,849,911	68.6	5,400,589	2,516,931	2,446,409
Chicago & North Western	5 mos.	7,868,329	6,855,594	87,481,363	10,788,805	11,461,395	1,804,513	64.2	31,277,927	14,449,051	14,877,852
Chicago Great Western	May	2,272,629	66,081	2,523,084	357,233	2,791,440	271,063	83.0	2,481,525	1,104,342	1,191,059
Chicago, Indianapolis & Louisville	May	11,030,738	407,870	12,438,608	1,562,603	1,704,885	1,358,626	79.6	515,180	143,584	181,522
Chicago, Indianapolis & Louisville	5 mos.	54,160,175	67,319	1,309,540	1,688,257	1,688,257	5,616,776	78.0	2,735,504	750,141	1,065,155
Chicago, Indianapolis & Louisville	5 mos.	5,429,437	300,919	6,116,933	1,308,922	841,063	2,540,991	86.8	1,98,979	382,659	-136,805
Chicago, Indianapolis & Louisville	5 mos.	1,000	2,272,629	2,523,084	357,233	2,791,440	271,063	83.0	2,481,525	1,104,342	1,191,059
Chicago, Indianapolis & Louisville	5 mos.	11,030,738	407,870	12,438,608	1,562,603	1,704,885	1,358,626	79.6	515,180	143,584	181,522
Chicago, Indianapolis & Louisville	5 mos.	54,160,175	67,319	1,309,540	1,688,257	1,688,257	5,616,776	78.0	2,735,504	750,141	1,065,155
Chicago, Indianapolis & Louisville	5 mos.	5,429,437	300,919	6,116,933	1,308,922	841,063	2,540,991	86.8	1,98,979	382,659	-136,805

(Table continued on next left-hand page)



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—145,108

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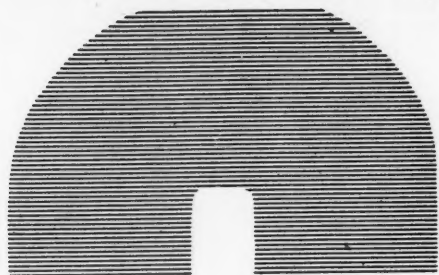
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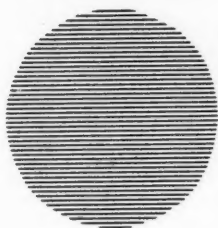
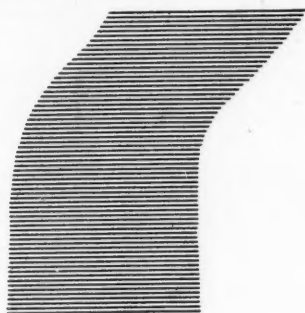
1,160,175  
5,429,437

541  
541

5 mos.



# PETROLEUM PIGS PASSENGERS



*...there's a Lima locomotive for every purpose!*

Whether yours is a problem of hauling heavy freights, fast cattle trains or "crack" passenger trains Lima is prepared to build you a locomotive that will best suit your individual needs.

Today's increasing demands for efficiency and economy of operation call for locomotives "individually tailored" for the job at hand. Lima-built modern steam locomotives are designed to meet *your* requirements . . . to provide better and superior performances at a minimum cost.

LIMA LOCOMOTIVE WORKS



INCORPORATED, LIMA, OHIO

## REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1947—CONTINUED

MONTHS OF CALENDAR YEAR 1947—CONTINUED												
Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net railway from operation	Net railway operating income		
		Freight	Passenger	Total (inc. misc.)	Maintenance of way and structures	Traffic	Trans- portation			Railway tax-accruals	1947	1946
Chicago, Milwaukee, St. Paul & Pacific	May 5 mos.	\$10,733	\$15,170,877	\$1,730,776	\$18,749,386	\$4,102,560	\$2,983,957	\$360,952	\$7,420,745	\$15,654,188	\$1,189,418	\$2,104,609
Chicago, Rock Island & Pacific	May 5 mos.	10,733	73,807,034	7,772,842	90,163,351	13,613,724	14,274,350	1,812,325	37,485,119	7,326,709	3,107,641	
Chicago, St. Paul, Minn. & Omaha	May 5 mos.	7,650	55,327,700	2,046,899	13,876,449	1,992,725	2,506,517	388,412	5,450,682	1,029,873	1,159,067	
Clinchfield	May 5 mos.	1,616	2,053,212	188,380	2,464,277	381,891	410,930	49,271	1,124,636	2,065,456	8,047,819	5,272,880
Colorado & Southern	May 5 mos.	302	7,429,494	30,002	7,522,327	1,363,637	2,059,901	253,652	5,918,553	10,454,509	150,317	374,622
Ft. Worth & Denver City	May 5 mos.	748	703,196	70,637	864,456	243,349	21,183	390,253	869,581	4,013,336	61,976	1,365
Colorado & Wyoming	May 5 mos.	42	102,141	165,371	12,656	15,727	18,745	2,041,384	4,013,336	61,976	1,365	
Columbus & Greenville	May 5 mos.	168	664,660	11,706	732,467	192,897	143,530	25,936	321,245	762,710	38,378	354,805
Delaware & Hudson	May 5 mos.	794	4,415,530	131,786	4,672,195	595,217	950,256	60,703	1,617,788	3,370,132	36,724	35,196
Delaware, Lackawanna & Western	May 5 mos.	973	5,541,317	806,670	7,012,005	2,498,109	4,601,660	296,036	8,365,355	16,513,017	17,567	131,899
Denver & Rio Grande Western	May 5 mos.	2,467	4,006,445	246,119	4,507,673	656,467	910,701	123,053	1,635,065	3,554,925	78.9	952,748
Detroit & Mackinac	May 5 mos.	230	628,915	1,851	146,927	35,416	13,494	633,973	8,356,215	17,365,962	2,669,285	1,006,215
Detroit & Toledo Shore Line	May 5 mos.	50	420,001	421,459	62,649	32,957	11,126	136,357	253,602	394,221	111,351	174,923
Detroit, Toledo & Irontronton	May 5 mos.	464	1,037,982	1,003	5,074,296	189,903	57,023	729,504	1,229,760	52,871	53,184	8,039
Duluth, Missabe & Iron Range	May 5 mos.	547	4,298,041	2,662	5,032,758	368,485	372,194	6,889	1,085,945	1,883,851	2,680,246	1,439,643
Duluth, Winnipeg & Pacific	May 5 mos.	175	281,000	1,300	287,500	58,767	32,232	33,234	281,529	6,918,356	3,148,907	2,569,169
Elgin, Joliet & Eastern	May 5 mos.	391	2,863,439	11,457	3,260,350	440,074	552,018	132,996	1,645,321	2,897,275	1,012,599	1,116,155
Florida East Coast	May 5 mos.	575	1,478,300	509,890	2,221,467	478,724	400,264	58,289	831,383	1,969,824	25,377	21,750
Georgia Railroad	May 5 mos.	639	7,988,874	141,457	8,441,555	1,364,566	2,220,204	26,830	305,815	552,853	402,400	98,273
Georgia & Florida	May 5 mos.	328	2,885,478	1,457	3,260,350	440,074	552,018	132,996	1,645,321	2,897,275	25,377	21,750
Grand Trunk Western	May 5 mos.	408	227,624	2,168	236,091	64,951	34,087	11,599	92,904	212,267	238,476	213,040
Canadian Nat'l Lines in New England	May 5 mos.	172	755,000	6,500	137,000	55,199	37,030	2,536	96,243	197,327	18,016	1,448,608
Great Northern	May 5 mos.	8,333	13,857,723	1,259,485	16,405,164	2,499,620	2,856,823	251,834	8,102,583	14,297,678	3,927,322	1,801,603
Green Bay & Western	May 5 mos.	234	252,931	46	257,792	63,604	24,384	14,252	79,486	195,386	62,411	36,060
		234	1,247,330	—72	1,276,543	242,981	135,979	68,341	465,914	513,115	151,802	15,252
												27,015



# LESS FUEL

This curve shows a comparison of fuel consumption by a modern locomotive when equipped with piston valves and when equipped with the Franklin System of Steam Distribution. In both cases horsepower at rear of tender is the same. It is the drawbar horsepower developed by the piston-valve locomotive with steam consumption of 90,000 lbs. per hour.

## Computations based on:

Type 4-8-4

Cylinders 25" x 32"

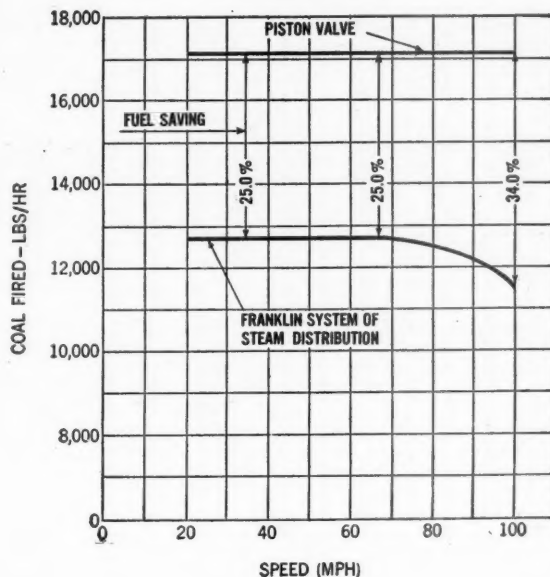
Driving Wheels 80"

Boiler Pressure 300 lb

Steam Temperature 730° F

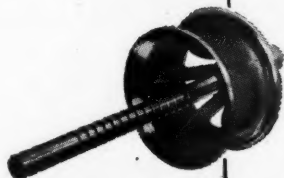
Total Heating Surface 4225 sq ft

Grate Area 100.2 sq ft



## used by a locomotive equipped with the Franklin System of Steam Distribution

This curve shows the savings in fuel consumption that may be expected from a modern locomotive when it is equipped with the Franklin System of Steam Distribution.



## FRANKLIN RAILWAY SUPPLY COMPANY, INC.

NEW YORK • CHICAGO • MONTREAL

STEAM DISTRIBUTION SYSTEM • BOOSTER • RADIAL BUFFER • COMPENSATOR AND SNUBBER • POWER REVERSE GEARS  
AUTOMATIC FIRE DOORS • DRIVING BOX LUBRICATORS • STEAM GRATE SHAKERS • FLEXIBLE JOINTS • CAR CONNECTION



# REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1947—CONTINUED

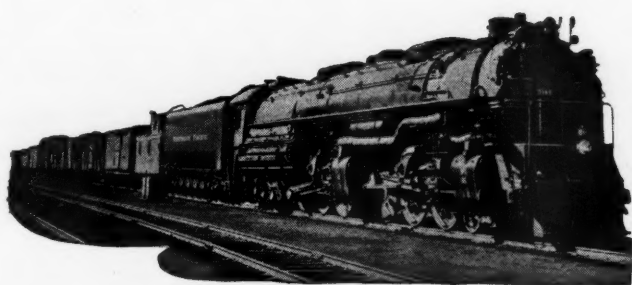
Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation	Net railway operating income	
		Freight	Passenger	Total	Way and structures	Maintenance of equipment	Traffic			Railway tax-accruals	1947
Gulf, Mobile & Ohio	May	\$3,628,490	\$102,675	\$3,731,165	\$626,389	\$633,688	\$114,224	67.9	\$1,236,731	\$366,991	\$717,058
Illinois Central (System)	5 mos.	1,945	449,136	17,026,753	2,947,444	2,897,332	58,040	72.3	4,721,777	1,802,062	\$109,506
Illinois Central (System)	May	16,281,266	1,903,080	20,224,398	3,253,133	3,395,444	7,065,664	74.7	5,126,364	2,592,375	2,034,677
Illinois Central (System)	5 mos.	6,582	79,262,547	10,116,453	99,187,943	15,209,193	17,385,462	74.6	25,234,713	12,626,658	2,034,677
Illinois Terminal	May	476	790,003	1,027,781	126,727	119,830	27,708	62.94	380,860	161,429	11,067,181
Kansas City Southern	5 mos.	476	3,653,426	4,743,762	601,747	623,655	131,431	68.17	1,510,545	659,162	183,305
Kansas City Southern	May	890	2,687,077	89,468	3,392,110	3,392,110	72,989	60.9	1,510,545	659,162	689,097
Kansas City Southern	5 mos.	890	12,622,815	419,369	14,185,225	1,597,674	359,264	60.8	1,713,604	381,000	2,034,677
Kansas, Oklahoma & Gulf	May	328	405,203	1,314	411,667	49,360	14,152	62.94	380,860	161,429	183,305
Lake Superior & Ishpeming	5 mos.	328	2,098,365	5,891	2,124,102	171,029	70,027	68.17	1,510,545	659,162	689,097
Lake Superior & Ishpeming	May	156	338,815	100	435,642	51,102	1,325	60.9	1,510,545	659,162	689,097
Lake Superior & Ishpeming	5 mos.	156	709,360	428	863,536	169,617	7,561	60.8	1,713,604	381,000	2,034,677
Lehigh & Hudson River	May	96	231,311	.....	231,828	45,280	6,937	54.9	185,841	68,505	83,123
Lehigh & Hudson River	5 mos.	96	1,350,142	.....	1,354,555	207,082	34,675	54.9	1,024,809	418,962	519,699
Lehigh & Hudson River	May	193	540,797	.....	548,583	97,310	10,079	42.7	244,052	63,968	186,003
Lehigh & Hudson River	5 mos.	193	2,625,176	.....	2,655,121	335,297	52,179	79.0	181,129	161,711	47,355
Lehigh Valley	May	1,252	5,514,484	335,265	6,225,730	884,636	128,241	72.3	64,184	27,637	15,875
Louisiana & Arkansas	5 mos.	1,252	26,293,425	1,800,205	30,080,194	5,126,986	645,242	68.6	424,963	168,284	132,800
Louisiana & Arkansas	May	756	1,225,613	30,695	1,307,690	157,236	37,270	67.9	372,560	86,725	98,067
Louisiana & Arkansas	5 mos.	756	6,030,983	173,980	6,466,700	911,177	191,224	70.6	780,862	409,689	460,492
Louisville & Nashville	May	4,768	13,869,981	1,185,829	16,054,542	2,090,219	261,824	83.1	1,049,719	493,222	405,813
Maine Central	5 mos.	4,768	67,543,556	6,933,729	78,587,202	15,932,006	1,366,819	82.3	5,312,387	2,296,261	2,258,160
Maine Central	May	988	1,509,115	132,042	1,781,911	331,383	64,270	65.8	446,889	195,950	604,973
Maine Central	5 mos.	988	8,372,005	805,825	9,763,209	1,534,714	1,984,681	61.5	2,492,852	1,048,508	1,011,592
Midland Valley	May	334	149,239	19	152,422	38,101	2,932	74.9	38,287	15,011	16,657
Minneapolis & St. Louis	5 mos.	334	775,945	17	790,274	17,509	2,932	74.9	38,287	15,011	16,657
Minneapolis & St. Louis	May	1,408	1,431,755	9,822	1,495,582	223,051	15,006	65.5	273,019	114,186	125,302
Minneapolis & St. Louis	5 mos.	1,408	7,004,863	50,694	7,322,089	1,116,898	438,131	74.1	386,739	212,210	172,672
Minneapolis, St. Paul & S. S. Marie	May	3,224	2,246,485	104,487	2,529,245	499,140	54,592	73.8	1,919,785	1,017,403	803,238
Duluth, South Shore & Atlantic	5 mos.	3,224	10,347,710	467,036	11,769,291	2,127,140	260,878	82.3	448,259	220,523	193,801
Duluth, South Shore & Atlantic	May	530	1,945,208	54,320	2,110,893	389,736	14,298	87.8	1,430,990	1,005,299	364,512
Duluth, South Shore & Atlantic	5 mos.	530	1,945,208	54,320	2,110,893	389,736	14,298	82.9	360,361	128,238	161,720
Spokane International	May	152	149,352	1,467	160,324	31,922	3,747	71.8	45,235	19,703	13,157
Mississippi Central	5 mos.	152	715,602	8,284	772,639	172,472	18,499	74.2	199,012	72,889	65,533
Mississippi Central	May	148	143,188	—635	146,659	32,387	10,827	68.9	45,572	13,426	20,093
Mississippi Central	5 mos.	148	762,032	74	784,647	199,014	53,261	72.0	219,910	74,386	77,911
Missouri & Arkansas	May	365	—2,600	18	—2,577	6,945	—16	100.	—16,104	1,180	—18,280
Missouri & Arkansas	5 mos.	365	2,275	345	2,946	39,787	608	81.5	67,610	5,604	—75,840
Missouri & Arkansas	May	172	370,507	383	373,343	56,067	9,401	53.3	174,352	70,408	81,261
Missouri & Arkansas	5 mos.	172	1,613,357	1,613	1,631,403	240,215	414,424	54.6	740,458	316,873	369,445
Missouri-Kansas-Texas Lines	May	3,253	4,500,006	472,917	5,412,847	869,892	196,693	80.2	1,071,789	424,896	397,939
Missouri Pacific	5 mos.	3,253	21,912,104	2,038,122	26,211,865	3,994,431	983,611	79.0	5,510,074	2,402,061	1,940,695
Missouri Pacific	May	7,037	13,353,399	1,266,765	15,907,677	2,418,318	370,291	77.7	3,548,254	1,052,838	1,817,770
Missouri Pacific	5 mos.	7,037	66,527,063	6,376,449	79,612,142	13,487,615	1,804,287	75.8	19,281,011	6,170,310	9,527,893
Gulf Coast Lines	May	1,734	3,376,091	80,268	3,597,639	622,856	68,244	65.7	1,234,611	377,202	557,558
International-Great Northern	5 mos.	1,734	17,367,034	433,582	18,560,424	1,902,138	339,744	63.3	6,808,480	1,704,824	3,922,378
International-Great Northern	May	1,140	1,871,438	203,670	2,347,643	467,207	44,008	88.0	281,328	129,868	3,163
International-Great Northern	5 mos.	1,110	9,410,964	1,048,564	11,763,135	1,825,728	221,598	86.3	1,607,805	640,879	114,856
Monongahela	May	170	873,282	1,316	879,652	65,902	813	40.7	522,058	67,617	338,070
Monongahela	5 mos.	170	3,471,770	5,734	3,499,986	310,845	3,881	46.2	1,853,524	332,963	1,042,727

(Table continued on next left-hand page)



# More Locomotive Mileage

**through  
increased  
availability**



- The installation of Security Circulators minimizes honeycombing, flue plugging and cinder cutting, so that, when circulator-equipped, an existing locomotive can operate for longer periods more efficiently.

The resulting gain in locomotive availability means that the cost of installing Security Circulators will rapidly be repaid through the increased earning power of the locomotive.

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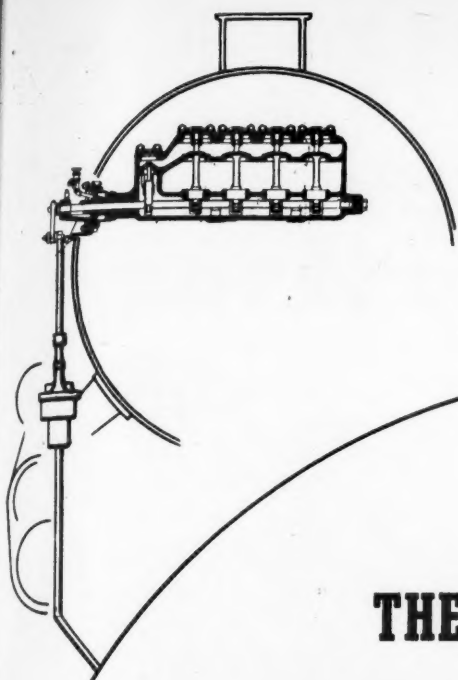
SECURITY CIRCULATOR DIVISION

### MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1947—CONTINUED

July 12, 1



4,740  
 112,882  
 5,024  
 4,162  
 120,236  
 34,883  
 378,747  
 98.9  
 266,015  
 31,342  
 159,913  
 13,234  
 67,387  
 134,227  
 687,738  
 279,612  
 1,237,953  
 314,405  
 1,616,700  
 63,337  
 1,476,899  
 160  
 5 mos.



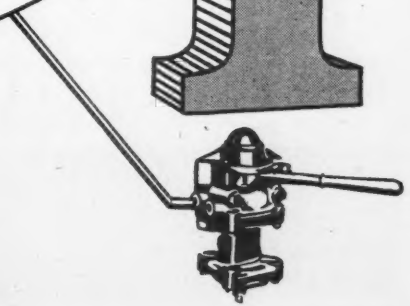
**THE INVESTMENT COST  
 OF A THROTTLE MASTER IS AMORTIZED  
 WITHIN ONE YEAR**

*by*  
**LOWER MAINTENANCE ON RECIPROCATING  
 PARTS AND REDUCED TIRE WEAR**  
*with*  
**BETTER CONTROL OF SLIPPING**

•  
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## REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1947—CONTINUED

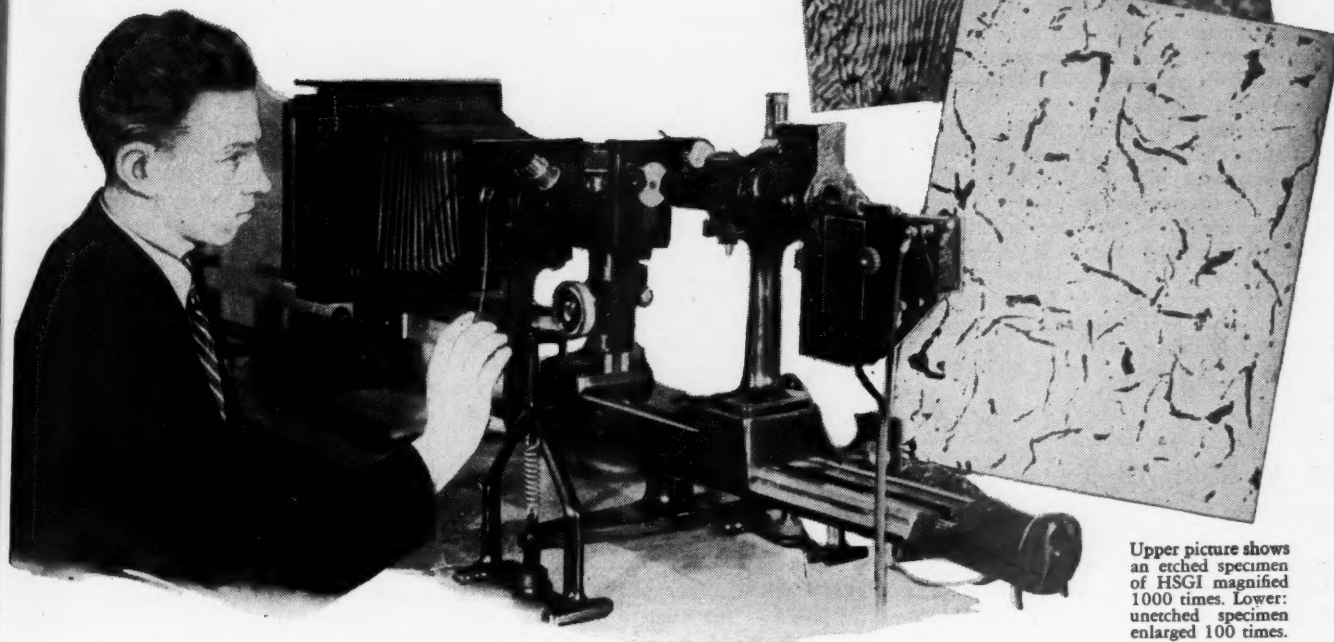
Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation	Net railway operating income	
		Freight	Passenger (inc. misc.)	Total	Way and structures	Maintenance of equipment	Traffic			Railway tax-accruals	1947
St. Louis Southwestern Lines	May	1,575	\$4,325,651	\$52,286	\$4,521,799	\$559,622	\$126,953	58.9	\$1,856,447	\$714,373	\$994,531
	5 mos.	1,575	20,925,551	303,071	21,936,628	2,386,410	614,647	59.5	8,879,812	3,480,149	4,583,720
Seaboard Air Line	May	4,156	8,502,622	1,014,563	10,212,448	1,726,105	269,262	80.5	1,996,447	802,963	821,701
	5 mos.	4,156	41,579,051	7,991,488	53,505,617	8,848,057	1,346,942	78.7	11,403,147	4,709,358	4,708,820
Southern Railway	May	6,484	16,084,416	1,444,990	18,775,081	3,408,133	319,527	76.1	4,492,599	2,133,653	2,037,826
	5 mos.	6,484	78,901,467	8,383,998	93,510,635	16,743,758	1,639,188	76.5	21,993,348	10,464,132	9,445,233
Alabama Great Southern	May	316	1,199,603	82,410	1,368,337	199,460	25,109	76.4	322,549	200,319	156,833
	5 mos.	316	5,592,927	595,588	6,610,518	965,769	141,224	79.7	1,344,420	862,869	640,603
Cinn., New Orleans & Texas Pacific	May	337	2,713,331	174,194	3,024,187	309,746	54,143	62.7	1,128,523	590,889	627,057
	5 mos.	337	12,263,522	1,222,669	14,230,068	1,607,705	249,697	67.6	4,613,847	2,515,992	2,503,883
Georgia Southern & Florida	May	397	4,216,866	73,268	4,380,029	97,533	7,204	72.2	149,447	50,399	55,698
	5 mos.	397	1,910,960	507,642	2,638,785	487,868	35,663	73.0	711,369	262,736	262,779
New Orleans & Northeastern	May	204	767,664	43,876	861,542	111,128	14,550	57.9	363,014	160,904	175,421
	5 mos.	204	3,737,885	271,065	4,262,414	599,361	83,531	60.3	1,690,116	770,841	728,916
Southern Pacific	May	8,227	27,347,177	4,121,439	33,950,775	6,167,356	630,228	77.1	7,773,875	3,852,819	2,529,725
	5 mos.	8,228	132,910,709	20,339,126	165,650,837	19,585,475	3,177,804	76.8	38,411,270	19,888,097	12,621,918
Texas & New Orleans	May	4,320	7,898,696	922,697	9,451,706	1,139,888	178,062	67.0	3,123,570	1,302,797	1,328,927
	5 mos.	4,320	38,848,211	4,486,619	46,127,283	5,744,175	905,834	67.6	14,930,201	6,120,680	5,324,979
Spokane, Portland & Seattle	May	944	1,821,812	72,221	1,921,250	200,751	16,208	91.2	332,891	175,617	10,001
	5 mos.	944	7,674,973	282,541	8,539,544	1,080,492	88,678	77.5	1,918,768	800,195	517,494
Tennessee Central	May	286	329,803	7,507	357,967	70,391	8,487	86.3	49,073	16,542	8,744
	5 mos.	286	1,624,582	39,349	1,772,810	351,688	47,442	88.3	207,360	112,145	19,817
Texas & Pacific	May	1,873	4,283,308	439,452	5,121,484	688,669	157,531	76.2	1,213,815	429,631	618,179
	5 mos.	1,873	19,282,337	2,178,268	23,516,631	3,178,471	764,511	76.3	5,566,168	1,792,061	2,929,992
Texas Mexican	May	162	236,336	102	265,720	21,040	4,783	47.9	138,384	44,826	75,791
	5 mos.	162	1,034,216	515	1,168,401	138,363	23,810	54.3	533,403	142,909	63,717
Toledo, Peoria & Western	May	.....	*1,401	.....	*1,401	.....	.....	...	-6,207	251	-6,458
	5 mos.	.....	*33,223	.....	*33,223	2,947	.....	...	-59,092	1,886	-57,536
Union Pacific System	May	9,775	24,828,917	4,121,326	31,458,026	4,770,609	811,926	76.9	7,255,311	4,018,762	2,236,302
	5 mos.	9,775	125,435,978	17,522,642	154,881,357	20,506,147	3,616,510	74.6	39,476,592	20,874,592	13,978,255
Utah	May	111	458,072	.....	458,072	40,504	641	84.0	25,396	17,325	11,635
	5 mos.	111	888,810	.....	889,079	124,327	3,206	80.3	173,692	101,945	71,102
Virginian	May	661	3,410,335	5,019	3,693,735	676,197	36,599	50.9	1,814,560	810,500	1,130,931
	5 mos.	661	14,635,597	25,875	15,468,097	3,266,731	173,645	57.2	6,613,105	3,117,000	4,061,640
Wabash	May	2,393	7,084,400	432,861	8,024,707	1,099,532	231,015	71.7	2,269,320	870,096	973,931
	5 mos.	2,393	34,350,407	2,111,468	38,928,698	5,017,263	1,091,904	70.5	11,465,362	4,414,182	5,072,955
Ann Arbor	May	294	633,529	3,649	655,904	78,839	20,845	79.6	133,586	59,942	54,683
	5 mos.	294	3,108,233	17,259	3,189,444	348,158	102,039	78.5	687,285	316,988	282,914
Western Maryland	May	837	3,514,445	13,627	3,715,039	524,748	62,123	64.9	1,304,792	525,000	770,690
	5 mos.	837	16,180,633	70,685	17,023,014	2,154,225	309,183	67.5	5,527,215	2,338,000	3,173,410
Western Pacific	May	1,195	2,997,351	168,793	3,273,426	598,953	116,519	79.2	680,782	216,846	366,257
	5 mos.	1,195	13,639,673	793,122	14,895,211	2,533,737	612,397	84.7	2,277,813	1,070,745	808,514
Wheeling & Lake Erie	May	505	2,446,569	.....	2,446,569	363,636	51,845	61.7	979,073	1,070,745	1,400,970
	5 mos.	505	11,143,428	.....	11,143,428	1,741,699	265,625	62.2	4,359,885	2,463,955	2,784,387
Wisconsin Central	May	1051	2,084,667	46,362	2,292,602	281,939	51,511	64.7	809,408	153,789	584,104
	5 mos.	1051	9,670,377	186,787	10,536,222	1,540,716	244,723	71.7	2,979,521	728,518	1,705,249

\* Debit

† Credit



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Valve Packing Rings	Light Weight Valves	Sectional Packing)
Valve Bull Rings	Cylinder Liners and Pistons	Cylinder Snap Rings
	for Diesel Service	Valve Rings, All Shapes

## News Department

(Continued from page 88)

### City Fetes Grand Trunk Chief

The citizens of Port Huron, Mich., have presented a certificate of appreciation to C. A. Skog, vice president and general manager of the Grand Trunk Western, which maintains extensive car shops and offices at that point. On June 26, more than 200 business and industrial leaders of Port Huron and its Canadian neighbor, Sarnia, Ont., presented a testimonial dinner to Mr. Skog at which other officers of the railroad were guests. L. A. Weil, editor of the Port Huron Times-Herald, serving as toastmaster, asserted that the citizens of the city were honoring Mr. Skog, "to let you know that there are people in the world who are grateful for what has happened to them." During the two-hour program the early struggles of the Grand Trunk were recounted and reference was made to the action of Port Huron citizens in donating \$110,000 to help the railroad rebuild its car shops after a disastrous fire in 1913.

### L. W. Stolte Elected to Credit Group Board

L. W. Stolte, secretary and general credit manager of Fairbanks, Morse & Co., has been elected to the board of directors of the Chicago Association of Credit Men. Mr. Stolte has been with Fairbanks, Morse for the past 18 years, most of the time as credit manager of the Cleveland, Ohio, branch. Two years ago he was transferred to Chicago as general credit manager and a few months later was elected secretary.

### Aim of New Program Is to Cut Grade Crossing Accidents

A program to encourage better observance of traffic signs, signals and roadway markings has been launched by the National Safety Council, an important objective of which is a reduction in accidents at railroad-highway intersections. The program, entitled "Signs of Life," is based on data which reveals that 51 per cent of the drivers in fatal grade crossing accidents in cities and 40 per cent of the drivers in rural crossing accidents disregarded signs and signals at the crossing. The Interstate Commerce Commission has also reported that 35 per cent of the 1946 grade crossing accidents occurred at locations with "active" protection, such as lights, bells, gates or watchmen.

The aim of the National Safety Council is to make the public "sign conscious." In connection with the program, publicity and educational materials are being distributed to state and local traffic officers and safety councils throughout the nation. A new sound slide-film, also entitled "Signs of Life," was shown publicly for the first time on May 8, at the meeting of the Safety Section, Association of American Railroads, at Cleveland, Ohio.

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who can save you time in obtaining railroad lamps and lighting equipment, pole-line supplies, communication equipment, electrical repair-shop supplies . . . everything electrical!

At strategic points throughout the nation, first-quality electrical items are conveniently available via Graybar. In the following list of Graybar warehouse locations, you'll find the name, address, and phone number of a Graybar man near you—a specialist who can help you obtain the electrical items you want with minimum delay. He'll gladly answer any questions about technical aspects, deliveries, prices, or Graybar service. *Graybar Electric Company . . . in over 90 principal cities. Executive offices: Graybar Building, New York 17, N. Y.*

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## Organizations

The annual outing of the New York Traffic Club will be held July 15 at the New York Athletic Club, Travers Island, Pelham Manor, N. Y.

The Traffic Club of Pittsburgh (Pa.) will hold its annual golf outing on Thursday, July 24, at the Pittsburgh Field Club.

Speaking at a luncheon meeting in Pittsburgh, Pa., June 26, of the executive and railroad contact committees of the Allegheny Regional Advisory Board, C. R. Megee, vice-chairman of the Car Service Division of the Association of American Railroads, stated that "during the first 5½ months of this year more coal was transported by the railroads than in any corresponding period in their history." Total carloadings are greater than any period since 1930, and the car supply during the second half of this year, he said, will be a "tight squeeze."

## Meetings and Conventions

The following list gives names of secretaries, dates of next or regular meetings and places of meetings:

ALLIED RAILWAY SUPPLY ASSOCIATION.—C. F. Weil, American Brake Shoe Company, 332 S. Michigan Ave., Chicago 4, Ill. Exhibit in conjunction with meetings of the Coordinated Mechanical Associations, September 15-18, 1947, Hotel Sherman, Chicago, Ill.  
AMERICAN ASSOCIATION OF BAGGAGE TRAFFIC MANAGERS.—E. P. Soebbing, 1450 Railway Exchange Bldg., St. Louis 1, Mo. Annual meeting, October 9-10, 1947, Rice Hotel, Houston, Tex.  
AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—B. D. Branch, C. R. R. of N. J., 143 Liberty St., New York 6, N. Y.  
AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—Miss Elise LaChance, Room 901, 431 S. Dearborn St., Chicago 5, Ill.  
AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.—E. A. Abbott, 1103 Cleveland St., Evanston, Ill.  
AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—Miss Elise LaChance, Room 901, 431 S. Dearborn St., Chicago 5, Ill. Annual meeting, September 16-18, 1947, Hotel Stevens, Chicago.  
AMERICAN RAILWAY CAR INSTITUTE.—W. C. Tabbert, 19 Rector St., New York 6, N. Y.  
AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—W. J. Walsh, B. & O. R. R., Baltimore 1, Md. Annual meeting, April 5-7, 1948, Hotel Roosevelt, New Orleans, La.  
AMERICAN RAILWAY ENGINEERING ASSOCIATION.—Works in cooperation with the Association of American Railroads, Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago 5, Ill. Annual meeting, March 16-18, 1948, Chicago, Ill.  
AMERICAN RAILWAY MAGAZINE EDITORS' ASSOCIATION.—Clifford G. Massoth, Illinois Central Magazine, 135 E. 11th Pl., Chicago 5, Ill.  
AMERICAN SHORT LINE RAILROAD ASSOCIATION.—J. P. Nye, Tower Bldg., Washington 5, D. C. Annual meeting, October 21-22, 1947, Hotel New Yorker, New York, N. Y.  
AMERICAN SOCIETY FOR TESTING MATERIALS.—R. J. Painter, Asst. Secretary, 1916 Race St., Philadelphia 3, Pa.  
AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—C. E. Davies, 29 W. 39th St., New York 18, N. Y. Annual meeting, December 1-5, 1947, Chalfonte-Haddon Hall, Atlantic City, N. J.  
Railroad Division.—E. L. Woodward, Railway Mechanical Engineer, 105 W. Adams St., Chicago 3, Ill.  
AMERICAN TRANSIT ASSOCIATION.—A. W. Baker, 292 Madison Ave., New York 17, N. Y.  
AMERICAN WOOD-PRESERVERS' ASSOCIATION.—H. L. Dawson, 1427 Eye St., N. W., Washington 5, D. C. Annual meeting, April 27-29, 1948, St. Paul, Minn.  
ASSOCIATED TRAFFIC CLUBS OF AMERICA, INC.—R. A. Ellison, Cincinnati Chamber of Commerce, 1203 C. of C. Bldg., Cincinnati 2, O. Annual meeting, October 6-8, 1947, Lord Baltimore Hotel, Baltimore, Md.  
ASSOCIATION OF AMERICAN RAILROAD DINING CAR OFFICERS.—W. F. Ziervogel, 605 S. Ranken Ave., St. Louis 3, Mo. Annual Meeting, October 7-9, 1947, Claridge Hotel, Atlantic City, N. J.

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Operations and Maintenance Department.—J. H. Aydelott, Vice-President, Transportation Bldg., Washington 6, D. C.  
Operating-Transportation Division.—L. R. Knott, 59 E. Van Buren St., Chicago 5, Ill.  
Operating Section.—J. C. Caviston, 30 Vesey St., New York 7, N. Y.  
Transportation Section.—H. A. Eaton, 59 E. Van Buren St., Chicago 5, Ill.  
Communications Section.—W. A. Fairbanks, 30 Vesey St., New York 7, N. Y.  
Fire Protection and Insurance Section.—W. F. Steffens, New York Central, Room 3317, 230 Park Avenue, New York 17, N. Y. Annual Meeting, October 21-22, 1947, Chicago, Ill.  
Freight Station Section.—W. E. Todd, 59 E. Van Buren St., Chicago 5, Ill.  
Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York 7, N. Y.  
Protective Section.—J. C. Caviston, 30 Vesey St., New York 7, N. Y.  
Safety Section.—J. C. Caviston, 30 Vesey St., New York 7, N. Y.  
Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago 5, Ill.  
Construction and Maintenance Section.—W. S. Lacher, 59 E. Van Buren St., Chicago 5, Ill. Annual meeting, March 16-18, 1948, Chicago, Ill.  
Electrical Section.—W. S. Lacher, 59 E. Van Buren St., Chicago 5, Ill. Annual meeting, September 30, 1947, Hotel Sherman, Chicago, Ill.  
Signal Section.—R. H. C. Balliet, 30 Vesey St., New York 7, N. Y. Annual meeting, September 11-13, 1947, Edgewater Beach Hotel, Chicago, Ill.  
Mechanical Division.—Arthur C. Browning, 59 E. Van Buren St., Chicago 5, Ill.  
Electrical Section.—J. A. Andreucetti, 59 E. Van Buren St., Chicago 5, Ill. Annual meeting, October 1-2, 1947, Hotel Sherman, Chicago, Ill.  
Purchases and Stores Division.—W. J. Farrell, (Executive Vice-Chairman), Transportation Bldg., Washington 6, D. C.  
Freight Claim Division.—Lewis Pilcher, Exec. Vice-Chairman, 59 E. Van Buren St., Chicago 5, Ill.  
Motor Transport Division.—Transportation Bldg., Washington 6, D. C.  
Car Service Division.—W. C. Kendall, Chairman, Transportation Bldg., Washington 6, D. C.  
Finance, Accounting, Taxation and Valuation Department.—E. H. Bunnell, Vice-President, Transportation Bldg., Washington 6, D. C.  
Accounting Division.—E. R. Ford, Transportation Bldg., Washington 6, D. C.  
Treasury Division.—E. R. Ford, Transportation Bldg., Washington 6, D. C. Annual meeting, October 8-10, 1947, New Ocean House, Swampscott, Mass.  
Traffic Department.—A. F. Cleveland, Vice-President, Transportation Bldg., Washington 6, D. C.  
ASSOCIATION OF RAILWAY CLAIM AGENTS.—F. L. Johnson, Alton R. R., 340 W. Harrison St., Chicago 7, Ill.  
BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—E. C. Gunther, Duff-Norton Mfg. Co., 122 S. Michigan Ave., Chicago 3, Ill. Exhibit in conjunction with American Railway Bridge and Building Association Convention, September 15-18, 1947, Hotel Stevens, Chicago, Ill.  
CANADIAN RAILWAY CLUB.—C. R. Crook, 4415 Marcell Ave., N. D. G., Montreal 28, Que. Regular meetings second Monday of each month, except June, July and August, Mount Royal Hotel, Montreal, Que.  
CAR DEPARTMENT ASSOCIATION OF ST. LOUIS.—J. J. Sheehan, 1101 Missouri Pacific Bldg., St. Louis 3, Mo. Regular meetings, third Tuesday of each month, except June, July and August, Hotel De Soto, St. Louis, Mo.  
CAR DEPARTMENT OFFICERS' ASSOCIATION.—F. H. Stremmel, 6536 Oxford Ave., Chicago 31, Ill. Annual meeting, September 15-18, 1947, Hotel Sherman, Chicago, Ill.  
CAR FOREMEN'S ASSOCIATION OF CHICAGO.—W. E. Angier, chief A. A. R. clerk, C. B. & O. R. R., 547 W. Jackson Blvd., Chicago 6, Ill. Regular meetings, second Monday of each month, except June, July and August, Union Station, Chicago, Ill.  
CENTRAL RAILWAY CLUB OF BUFFALO.—R. E. Mann, 1840-42 Hotel Statler, McKinley Square, Buffalo 5, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.  
CHICAGO LUNCHEON CLUB OF MILITARY RAILWAY SERVICE VETERANS.—Col. R. O. Jensen, Schiller Park, Ill. Luncheon, second Wednesday of each month, Chicago Traffic Club, Palmer House, Chicago, Ill.  
EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.—H. J. Hawthorne, Union Railroad, East Pittsburgh, Pa.

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**EASTERN CAR FOREMAN'S ASSOCIATION.**—W. P. Dizard, 30 Church St., New York 7, N. Y. Regular meetings, second Friday of January, February (Annual Dinner), March, April, May, October and November, 29 W. 39th St., New York, N. Y.

**LOCOMOTIVE MAINTENANCE OFFICERS' ASSOCIATION.**—C. M. Lipscomb, 1721 Parker Street, North Little Rock, Ark. Annual meeting, September 15-18, 1947, Hotel Sherman, Chicago, Ill.

**MASTER BOILER MAKERS' ASSOCIATION.**—A. F. Stiglmeier, 29 Parkwood St., Albany 3, N. Y. Annual meeting September 15-18, 1947, Hotel Sherman, Chicago, Ill.

**NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.**—Ben Smart, 7413 New Post Office Bldg., Washington 25, D. C.

**NATIONAL ASSOCIATION OF SHIPPERS' ADVISORY BOARDS.**—F. J. Armstrong, United States Radiator Corporation, United Artists Bldg., Detroit, Mich. Annual meeting, October 27-28, 1947, Jefferson Hotel, St. Louis, Mo.

**NATIONAL INDUSTRIAL TRAFFIC LEAGUE.**—Edward F. Lacey, Suite 450, Munsey Bldg., Washington 4, D. C.

**NATIONAL RAILWAY APPLIANCE ASSOCIATION.**—C. H. White, Room 1826, 208 S. La Salle St., Chicago 4, Ill. Meeting and exhibit in connection with A. R. E. A. Convention, March 15-18, 1948.

**NEW ENGLAND RAILROAD CLUB.**—W. E. Cade, Jr., 683 Atlantic Ave., Boston 11, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Vendome, Boston, Mass.

**NEW YORK RAILROAD CLUB.**—D. W. Pye, 30 Church St., New York 7, N. Y. Regular meetings, third Thursday of each month, except June, July, August, September and December, 29 W. 39th St., New York, N. Y.

**NORTHWEST CARMEN'S ASSOCIATION.**—E. N. Myers, Minnesota Transfer Ry., 1434 Iowa Ave., St. Paul 4, Minn. Regular meetings, first Monday of each month, except June, July and August, Midway Club, 1931 University Ave., St. Paul, Minn.

**PACIFIC RAILWAY CLUB.**—William S. Wollner, P. O. Box 458, San Rafael, Cal. Regular meetings, second Thursday of each alternate month at Palace Hotel, San Francisco, Cal., and Hotel Biltmore, Los Angeles, Cal.

**RAILWAY BUSINESS ASSOCIATION.**—P. H. Middleton, First National Bank Bldg., Chicago 3, Ill. Annual dinner, November, 1947, Hotel Stevens, Chicago, Ill.

**RAILWAY CLUB OF PITTSBURGH.**—J. D. Conway, 308 Keenan Bldg., Pittsburgh, Pa. Regular meetings, fourth Thursday of each month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.

**RAILWAY ELECTRIC SUPPLY MANUFACTURERS' ASSOCIATION.**—J. McC. Price, Allen-Bradley Company, 624 W. Adams St., Chicago 6, Ill.

**RAILWAY FUEL AND TRAVELING ENGINEERS' ASSOCIATION.**—T. Duff Smith, Room 811, Utilities Bldg., 327 S. La Salle St., Chicago 4, Ill. Annual meeting, September 15-18, 1947, Hotel Sherman, Chicago, Ill.

**RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.**—A. W. Brown, Room 1424, 30 Church St., New York 7, N. Y.

**RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York 7, N. Y. Meets with Communications Section, of A. A. R.

**RAILWAY TIRE ASSOCIATION.**—Roy M. Edmonds, 610 Shell Bldg., St. Louis 3, Mo. Annual meeting, September 23-25, 1947, Arlington Hotel, Hot Springs, Ark.

**ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.**—Miss Elise LaChance, Room 901, 431 S. Dearborn St., Chicago 5, Ill. Annual meeting, September 16-18, 1947, Hotel Stevens, Chicago, Ill.

**SIGNAL APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York 7, N. Y. Meets with A. A. R. Signal Section.

**SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.**—A. T. Miller, 4 Hunter St., S. E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta, Ga.

**SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.**—D. W. Brantley, C. of Ga., Savannah, Ga. Semi-annual meeting, July 24-25, 1947, Battle House Hotel, Mobile, Ala.

**TORONTO RAILWAY CLUB.**—D. M. George, P. O. Box 8, Terminal "A," Toronto 2, Ont. Regular meetings, fourth Monday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.

**TRACK SUPPLY ASSOCIATION.**—Lewis Thomas, Q. and C. Company, 59 E. Van Buren St., Chicago 5, Ill. Exhibit in conjunction with Roadmasters' and Maintenance of Way Association Convention, September 15-18, 1947, Hotel Stevens, Chicago, Ill.

**UNITED ASSOCIATIONS OF RAILROAD VETERANS.**—Roy E. Collins, 225 Bidwell Ave., Westerleigh, Staten Island 2, N. Y.

**WESTERN RAILWAY CLUB.**—E. E. Thulin, Suite 339, Hotel Sherman, Chicago, Ill. Regular meetings, third Monday of each month, except January, June, July, August and September, Hotel Sherman, Chicago, Ill.

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## Current Publications

### BOOKS

*Economics of Transportation*, by D. Philip Locklin. Third Edition, 885 pages. Published by Richard D. Irwin, Inc., 332 S. Michigan ave., Chicago, Ill. Price, \$5.50.

In addition to bringing material in the second edition up to date, the author has expanded the sections dealing with highway, water and air transportation, and deals more fully with the problems arising in the regulation of these carriers. The growing importance of the relations between different modes of transport has led to an expansion of the chapter dealing with transport coordination and the problems of

intercarrier relations. The emphasis on the economic aspects of transportation which characterized the earlier editions has been continued in this edition. Extended discussions of rates, rate theory and rate structure, and regulation are included.

*Transportation—A Measurement of Civilization; Light, Life, and Man, Volume II of Science and Life in the World*. 235 pages. Published by Whittlesey House, McGraw-Hill Book Company, 330 W. 42nd st., New York 18. Price \$2.50.

This second volume of the George Westinghouse Centennial Forum Series covers two phases of contemporary life—transportation as related to social development, and biological science with its implications for

present and future human development. The transportation section contains papers on the Aviation Phase, by Dr. Edward Warner; Ships and Shipping, by Vice Admiral Emory S. Land; Rail Transportation and Its Vital Contribution to Civilization, by Martin W. Clement; the New American Way of Life, by Dr. C. F. Kettering; Transportation Planning in Urban Areas, by Harland Bartholomew; and a Commentary, by Robert P. Russell. An adaptation of Mr. Clement's paper appeared on pages 1059-1061 of the *Railway Age* of May 25, 1946, and a brief resume of the Forum, including the other papers dealing with transportation, appeared on pages 1068 and 1073 of the same issue.

*Let's Be Human*, by John L. Beckley. 122 pages, cartoon illustrations. Published by Duell, Sloan & Pearce, Inc., 270 Madison ave., New York 16. Price, \$2.50.

Mr. Beckley presents the art of handling people in swift and entertaining form by means of a series of cartoons with one- or two-line captions. He summarizes the art in seven rules, each illustrated with appropriate cartoons. These rules are: perfect your self-control, appreciate and praise, stress rewards and avoid punishments, criticize tactfully, always listen, explain thoroughly, and consider your men's interests as you would your own. Pre-publication tests of the book indicate that foremen are interested in reading about human relations problems if the manner of presentation is sufficiently entertaining. This book should, however, prove useful to anyone who has the problem of supervision.

*Accident Prevention Manual for Industrial Operations*. 534 pages, with illustrations. Published by the National Safety Council, 20 N. Wacker Drive, Chicago 6. Price to members of the council \$7; to others \$14.

This manual is a comprehensive source of the "how" of safety and sets forth the principles of safety for the activities that are encountered in the great majority of industrial operations. It carries these principles into as much detail as possible, without contradicting the premise that the application of accident prevention methods to a specific job must remain the responsibility of the engineer. The manual is intended to be kept at hand for frequent and ready reference by the safety director, the safety engineer and the fireman.

Among the subjects discussed are plant layout and design, construction and demolition of buildings and other structures, the inspection, maintenance and operation of permanent buildings and facilities, guarding and operating machinery, and handling and sorting materials. A considerable section of the book is devoted to discussion of electrical, chemical, fire and explosive hazards, and the handling of inflammable liquids. Other subjects discussed are the care and use of hand and portable power tools, the operation of vehicles, the use of personal protective equipment, and industrial hygiene. Finally, the book suggests methods for a well organized safety program and gives in its closing pages a resume of the services and activities of the National Safety Council.

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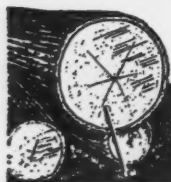


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